Township of Wellington North

2025 Water and Wastewater Rate Study & O. Reg 453/07 Financial Plan

DFA Infrastructure International Inc.

December 8, 2025

DFA Infrastructure International Inc.

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Jerry Idialu, MBA, CPA
Director of Finance/Treasurer
Township of Wellington North
7490 Sideroad 7 W
Kenilworth, Ontario
N0G 2E0

Re: 2025 Water and Wastewater Rate Study & O. Reg 453/07 Financial Plan

Dear Jerry:

We are pleased to submit to you the above noted final report entitled: “Water and Wastewater Rate Study and O. Reg 453/07 Financial Plan”. The final version incorporates your comments and includes the outcomes of the October 29th and November 17th Council decisions..

Yours truly,

DFA Infrastructure International Inc.
Derek Ali, MBA, P.Eng.
President

Table of Contents

Transmittal Letter

Table of Contents

Appendices

Tables

1 Introduction

1.1 Background

The Township of Wellington North (Township) has a population of approximately 13,800 with the Township providing water services to approximately 3,550, and wastewater services to approximately 3,450 residential and non-residential customers.

The Township operates two water and wastewater systems, with one in Arthur and one in Mount Forest. The total cost of the Township's water and wastewater systems are recovered from operating (non-rate) revenues (e.g. administrative fees, etc.) and through direct billing to customers (rate revenues). Rate revenues consist of revenues from flat rate water and wastewater charges to residential customers, and base charges, meter maintenance fees (water only) and metered rate charges to non-residential users.

DFA Infrastructure International Inc. (DFA) was retained by the Township to conduct a comprehensive Water and Wastewater Rate Review. The study includes an evaluation of the existing rate structure and the determination of the full cost of service for water and wastewater over ten (10) years from 2026 to 2035 inclusive (with 2026 as the base year), and the calculation of rates that adequately fund the cost of service, while treating ratepayers in a fair and equitable manner. An updated water system financial plan as required under O.Reg 453/07, and wastewater system financial plan, will be prepared based on the results of the water and wastewater rate review. A discussion on the use of meters in the recovery of water and wastewater costs from residential customers is also provided for Council Consideration.

1.2 Purpose

The primary purpose of this Water and Wastewater Rate Study is to:

- Identify the full costs of managing the Township's water and wastewater systems based on the most recent available information;
- Update the Township's current rates and charges to its customers that will recover the full costs of supplying and distributing drinking water, and collection and treatment of wastewater;
- Provide a discussion of the metering of residential water customers; and
- Prepare an updated Water System Financial Plan in accordance with the requirements of O.Reg. 453/07 renewal of the licence for the Township's water distribution system. While not mandatory, a financial plan for the wastewater system will also be prepared.

2 Regulatory Requirements

2.1 Provincial Regulations

Provincial requirements governing water and wastewater services primarily include the following:

- The Environmental Assessment Act (EAA);
- The Safe Drinking Water Act (SDWA);
- The Municipal Act (MA);

- The Development Charges Act (DCA);
- The Sustainable Water and Sewage Systems Act, 2002 (SWSA); and
- The Water Opportunities and Conservation Act, 2010 (WOA).

The first two (2) set out the technical requirements related to service delivery. The EA Act applies to expansion of existing facilities and establishment of new capacity such as the installation of new pipes to service growth in customers.

The Safe Drinking Water Act, 2002 (SDWA) has significant implications to the daily operations as it sets out the water sampling and other operational requirements (in O. Reg. 170/03) for ensuring that the water delivered to consumers is of high quality and safe for consumption. The SDWA has been a major influence over the past decade in terms of adjustments to operational practices and water quality assurance. In addition, there is also a requirement under this Act (O.Reg. 188/07) for drinking water providers to establish a Drinking Water Quality Management System (DWQMS) and obtain licences for their respective water systems. As part of the DWQMS, and as required under O. Reg. 453/07 (Financial Plans Regulation), operating authorities must submit a financial plan for their respective water systems as a condition of licensing. There are also many regulations and guidelines that deal with design and operation standards that mandate certain activities be undertaken as part of service delivery.

The Municipal Act, Part VII, Section 293 requires municipalities to establish reserves for dealing with long-term liabilities. This applies directly to the water systems and the future liabilities associated with their age and condition. The Municipal Act also permits the municipalities to establish fees for cost recovery and requires public input prior to any fee adjustments. The Development Charges Act and regulations establishes the requirements for the recovery of portions of future growth-related capital expenditures to be incurred by municipalities. The Sustainable Water and Sewage Systems Act, 2002 requires that water systems be financially sustainable. The Water Opportunities and Conservation Act, 2010 is the most recent legislation to be enacted influencing water system management. It requires sustainability plans to be prepared for water systems and overlaps somewhat with the SWSA.

The Sustainable Water and Sewage Systems Act, 2002

One of the main recommendations contained in Justice O'Connor's report on the Walkerton incident is the need for municipalities to identify the full cost of water services and to develop a sustainable plan to finance these costs. This resulted in the establishment of the Sustainable Water and Sewage Systems Act, 2002 in December 2002 which requires operators of Water systems to report full costs and the method of cost recovery to the Province of Ontario. However, the Sustainable Water and Sewage Systems Act, 2002 was never proclaimed into force, nor were the regulations necessary for the act to operate ever developed. Under the Sustainable Water and Sewage Systems Act, 2002, the municipalities are required to submit to the Province of Ontario:

- A report prepared by a Professional Engineer, identifying the full cost of water services;
- A report identifying a sustainable method by which municipalities would recover these costs;
- The comments made by the Town's Auditor following a review of both reports; and
- Copies of Council resolutions accepting the recommendation of reports.

The Water Opportunities and Conservation Act, 2010

The WOA was enacted in November 2010 and the regulations are pending. This legislation promotes water conservation and requires municipalities to develop:

- Water conservation plans;
- Sustainability plans for water, wastewater & stormwater management; and
- Asset management plans.

Financial plans are required as a component of the water sustainability and asset management plans.

The DWQMS Requirements

Regulation 188/07 under the Safe Drinking Water Act requires Ontario municipalities to apply for and obtain Drinking Water System Licences as part of their overall DWQMS. One of the requirements to obtain a drinking water licence is to prepare and submit a financial plan in accordance with O.Reg. 453/07.

2.2 Township of Wellington North Water and Wastewater Rate By-Law

Township By-law No. 084-2024 establishes the water and wastewater rates and charges that apply to the various customer classes in 2025. Schedule B of By-law No. 084-2024 is attached as Appendix A.

3 Methodology

The Rate Study gives consideration to the full costs (or the required investment) associated with managing the Township's water and wastewater systems over a ten (10) year period from 2026 to 2035, using 2026 as the base year, and the recovery of those costs (or revenue plan) through proposed rates and charges to customers. Life cycle costs of assets from the Township's recent State of the Infrastructure Report were also considered to provide the full replacement and/or rehabilitation needs given that some water and wastewater system assets (e.g. water mains and sewer mains) can have life expectancies well beyond the forecast period. Rates are then developed that recover the full costs of water and wastewater services.

3.1 Full Cost Considerations

Calculation of the Township's full cost of managing the water and wastewater systems is based on the draft 2026 operating budgets related to the primary activities required to deliver water and wastewater services to Township customers. Higher costs are generally expected in the future as the water and wastewater business environment changes. The impact can be mitigated however by fully understanding, assessing and planning for future water and wastewater system costs.

Determination of the full cost of managing the Township's water and wastewater systems takes into account the factors that have a bearing on the cost of providing reliable water and wastewater services to the customers over the long-term. These included both current and future considerations that would influence the cost of managing the systems (and the revenues required to sustain them). Table 3-1 notes the main drivers of cost. The assumptions made are noted in the respective sections of this report.

Table 3-1: Cost Components and Drivers

Cost Component	Cost Drivers	Future Cost Implications
Water and Wastewater systems operations and maintenance (O&M)	This is the annual cost of operating and maintaining the current system including direct (e.g. operations staff) and indirect costs (e.g overhead, charge backs etc). Changes in regulations can result in additional (O&M) activities and added costs. This was evident when the regulations under the Safe Drinking Water Act took effect. Municipalities were required to undertake specific activities in the interest of water quality management (e.g sampling, analysis and reporting of water quality). More recently, the DWQMS meant additional costs for water system operational plans and licensing albeit not annually. It is expected that pending regulations under the Water Opportunities Act and greater enforcement of compliance requirements by the Ministry of the Environmnet and Climate Change (MOECC) would require more actions to be undertaken (and increased costs) by municipalities.	This is a direct annual cost that is reasonably consistent (fixed) from year to year but requires adjustment to account for non-recurring items, operational changes, variable cost (e.g. chemical use) changes and inflation. Non-rate revenues from administrative fees and grants offset these costs. The long term impact of new regulations on costs are difficult to predict. However, the costs are expected to rise as more stringent requirements are established and compliance enforcement by the MOECC increases. Operating costs are assumed to increase by 2% annually.
Customer Growth	As the existing urban areas are developed, the addition of new customers would increase the total demand for water . A corresponding rise in wastewater volume requiring treatment would also be expected	The increase in demand, if significant, would increase volumes of water consumed and wastewater treated, and variable costs in the year the new customers are added. Customer Growth is based on projections contained in the Township's 2024 Growth Management Action Plan.
Consumption Volume (m3)	Consumption is a function of the number of customers (existing and new growth), weather conditions and the economic environment. The weather conditions have a significant influence on how much water is consumed in a given year. For example, lower temperatures and wet weather tend to result is less water consumption. Dry weather and higher temperatures increase water consumption. Wet weather would also mean more stormwater entering the wastewater system (known as inflow and infiltration) The loss of large (commercial or industrial) customers perhaps due to economic climate would reduce demand.	The annual consumption volume is unpredictable. Fluctuations can result in higher than anticipated costs or lower revenues and lead to budget deficits. An operating reserve would minimize the risk of deficits and stabilize rates (i.e. minimize rate spikes) It is assumed that consumption will continue to increase as a result of new customer growth.
New growth related services	This refers to installation of new assets to increase the system capacity to facilitate new development and build out of the approved service areas within the Township	Would result in capital investments in the year the new infrastructure is needed. Note that financing of these costs can be through debt or cash from reserves after third party contributions

Cost Component	Cost Drivers	Future Cost Implications
		are considered (e.g. grants, developer contributions etc.) Growth related capital investments are as provided from the Township's 2021 Development Charges Background Study.
Asset preservation and renewal	This is mainly the replacement of aging Tangible Capital Assets (TCA) e.g. old water mains, plant components, well components etc. that have exceeded their service life.	Would result in future capital expenditures in the year in which the assets require replacement or rehabilitation to extend their useful lives. Allowances must be made as part of the annual costs to account for the future replacement of these assets Financing can be through a combination of debt and reserve funds. Provisions of asset renewal needs are as determined from the recommendations contained in the Township's 2025 State of the Infrastructure Report.
Other capital expenditures	These are capital expenditures other than those needed for growth and asset renewal. These would include cost of studies and implementation of operational improvements of the water and wastewater systems such as water loss reduction measures and wastewater I & I reduction programs.	Would increase costs in the year the expenditure is required. Financing can be through a combination of debt and reserves. Other capital investments are as provided from the Township's 2025 Capital Budget.
Capital Financing	Capital financing for projects can be from four (4) main sources: Debt financing, reserves, annual rates and third party contributions (grants etc.). Grant funding is available only when approved and is therefore not a predictable source of financing for financial planning purposes. The greater the debt financing, the higher the annual amount (costs) needed to repay the principal and interest on any current or future debt. Financing from reserves can only be used if sufficient funds are available. Therefore annual contributions to reserves are required to build balances for use in future years. Financing from rates do not increase annual costs but tend to drive up rates in the year the capital expenditure is required.	Annual costs would increase to provide for reserve contributions and debt repayment. It should be noted that using debt financing would minimize spikes in funding required for capital projects and allocates cost to future users It is assumed that debt financing will be used when funds from other sources (reserves, grants, etc) are insufficient to finance the current year's capital program

Cost Component	Cost Drivers	Future Cost Implications
Inflation	This is the annual rate of inflation as reported by Statistics Canada for the provision for cost of living adjustments each year.	Annual inflation is assumed to be 2% for operating costs, and 3% for capital expenditures
Market competition and pricing	The level of competition within the market place depends on the number of service providers available. Additionally, the capacity of industry service providers to meet the increasing demand for their services may tend to increase prices. Tender prices for future capital projects would be influenced by the market conditions at the time of tendering.	Potential higher prices depending on the future behaviour of the industry.

3.2 Full Cost Assessment

The full cost assessment identifies the current and future costs (i.e. the full costs) associated with the management of the water and wastewater systems over the next ten (10) years (2026 to 2035), with 2026 as the base year. The key cost areas include:

- Operations & Maintenance (O&M) cost projections;
- Capital Budget based on the capital forecast provided by the Township;
- Tangible Capital Asset (TCA) projections including asset replacement needs;
- Debt servicing requirements; and
- Reserve fund requirements.

The non-rate revenues associated with the systems are also identified. These are defined as revenues that are routinely generated each year by the daily operations and include administrative revenues such as service connection fees, penalties, operating grants and other direct user fees and service charges. It is important to note that the non-rate revenues do not include the revenues generated by the water and wastewater user rates. The full cost developed through the various analyses in this study identify the revenue requirements for the water and wastewater systems and form the basis for the future rates and charges.

3.3 Data Sources

The primary sources of data used in this review are listed in Table 3-2. In addition, information was also developed from discussions with input from Township staff, as required.

Table 3-2: Data Sources

Item	Data Source
Asset Life Expectancy	• Township's TCA Policy • Information Provided by the Township
Asset Replacement Costs	• Township's TCA Policy • Township's State of the Infrastructure Report
Asset Values	• Township's TCA Policy • Information Provided by the Township
O & M Costs and Revenue Projections	• Township's 2026 Draft Water and Wastewater Operating Budgets
Capital Cost Projections	• Township's 2026-3035 Water and Wastewater Capital Budget Forecast, 2021 Development Charges Background Study and the 2025 State of the Infrastructure Report
Existing Debt	• Information provided by the Township
Investments, Reserve balances etc.	• Information provided by the Township
Existing Customers	• Town's Customer count Provided by the Township
Growth	• Information as contained in the Township's 2024 Growth Management Action Plan
Water and Wastewater Volumes	• Township's actual historical Consumption Volumes provided by the Township

4 Customer Growth

The cost of service depends on the number and type of customers and corresponding demand. Although most costs are fixed, variable costs such as annual chemical use and hydro costs can increase depending on the level of customer growth and water consumption and wastewater treated. Capital costs related to increasing system capacity to accommodate customer growth can also be influenced by growth and demand. In addition, the rate structure to be considered is comprised of a fixed charge for residential customers, and a fixed (base charge) per non-residential customer plus a consumption charge based on the metered volume of water consumed (billed wastewater flows). Therefore, forecasting customer growth and annual water consumption volumes is essential to projecting future costs, revenue requirements and rates.

4.1 Current Customers

There are approximately 3,550 water customers and 3,450 wastewater customers based on 2024 customer information provided by the Township, adjusted for 2025 growth. This number is expected to increase over the 2026 – 2035 forecast period. Table 4-1 shows the current total number of residential and commercial customers.

Table 4-1: 2025 Customer Count

System/Customer Type	Number of Customers (Water)	Number of Customers (Wastewater)
Arthur Residential	1,091	1,077
Mount Forest Residential	2,140	2,054
Arthur Non-Residential	106	106
Mount Forest Non-Residential	211	210
Total	**3,548**	**3,447**

4.2 Customer Growth Projections

Table 4-2 shows the increase in total customers over the 2026-2035 forecast period. Customer growth projections reflect the residential and non-residential growth estimates as provided by the Township's 2024 Growth Management Action plan. Customer growth over the forecast period is projected to be 990 units. Detailed customer growth projections by year over the forecast period are presented in Appendix B.

Table 4-2: Customer Growth Projection

Water Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total	**3,658**	**3,768**	**3,878**	**3,988**	**4,098**	**4,186**	**4,274**	**4,362**	**4,450**	**4,538**

Wastewater Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total	**3,557**	**3,667**	**3,777**	**3,887**	**3,997**	**4,085**	**4,173**	**4,261**	**4,349**	**4,437**

5 Volume Projections

5.1 2025 Water Consumption (Billed Wastewater) Volumes

Table 5-1 details the projected 2025 metered water consumption and billed wastewater volumes as determined from 2024 billing records provided by the Township, adjusted for 2025 growth. It should be noted that only non-residential customers are metered.

Table 5-1: 2025 Water and Wastewater Volumes (m^3)

System/Customer Type	Water Volume (m^3)	Wastewater Volume (m^3)
Arthur Residential	N/A	N/A
Mount Forest Residential	N/A	N/A
Arthur Non-Residential	155,368	155,368
Mount Forest Non-Residential	124,381	123,738
Total	**279,749**	**279,106**

5.2 Projected Water Consumption and Billed Wastewater Volume

Projected water consumption and billed wastewater volume increases are based on projected customer growth by customer type/system multiplied by the estimated average customer consumption in that customer type/system. The 2026-2035 volume projections are shown below in Table 5-3. Appendix B also presents the detailed water and wastewater volume projections by customer class/system over the forecast period.

Table 5-2: 2026-2035 Water and Wastewater Projected Volumes (m^3)

Water Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total	285,038	290,328	295,617	300,906	306,196	311,485	316,775	322,064	327,353	332,643

Wastewater Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total	284,395	289,683	294,971	300,260	305,548	310,837	316,125	321,413	326,702	331,990

6 Capital Need Forecast

The future water and wastewater capital need forecasts are presented in Appendices C and D respectively. These appendices include the projects identified in the Township's Draft 2026 Capital Budget and Forecast. Also included in the capital budget forecasts are the growth-related capital investments as contained in the Township's 2021 Development Charges Background Study. Additional asset management replacement and rehabilitation provisions, as determined from the recommendations contained in the Township's 2025 State of the Infrastructure Report, are also included thereby ensuring that sufficient annual capital funding is being provided from rates to address future annual capital lifecycle needs. It should be noted that the additional asset management replacement and rehabilitation provisions are adjusted to reflect the asset management related project provisions already reflected in the Township's capital budget and additional capital climate change and emergency repairs provisions. The additional net asset management replacement and rehabilitation provisions are averaged over the forecast period to avoid spikes in rates or the need for large amounts of long-term debt capital financing. There are approximately $46.8 million in projected water related capital needs and approximately $53.6 million in projected wastewater related needs over the 2026 and 2035 forecast period.

Appendices C and D also show over the 2026-2035 forecast period the projected sources of financing of the water and wastewater capital needs. The level of water and wastewater rates have a direct impact on the mix of capital financing. The Township will continue to finance its' non-growth capital needs mainly through cash from capital reserves. The Township will however be required to incur debt to cashflow non-growth wastewater capital needs in years where insufficient capital reserve funds are projected to be available. The Township will also be required to incur debt for financing growth-related capital. Debt servicing for the growth-related debt will be funded from development charges revenues generated from the new growth anticipated in the Township and therefore will not impact on the user rates.

6.1 Debt Financing

Issuance of debt allows for funds to be available in the year the project is identified to proceed, with repayment of the debt occurring in future years. This approach supports the principle of user pay such that the beneficiaries of the new assets pay for their use through the debt repayment. Financing from capital reserve requires that

sufficient funds be available in the reserve fund in the year the project is undertaken, through annual contributions from the operating budget to the reserve fund in prior years. Therefore, without debt or reserve financing, major rate increases, or "spikes" would be required in the projected year to raise sufficient funds to cover the project expenditures.

The Township has used debt in the past as a source of capital financing, most notably the Township's new Wastewater Treatment Plant. As noted in the 2026-2035 Capital Need Forecasts for water and wastewater, in years where insufficient reserve funds are projected to be available the Township will be required to incur $4.8 million in debt to cashflow growth-related wastewater capital needs, $4.7 million in debt to cash flow non-growth-related wastewater capital needs, and $22.0 million in debt to cashflow growth-related water capital needs. Debt servicing for the growth-related debt will be funded from development charges revenues generated from the new growth anticipated in the Township and therefore will not impact on the user rates. Appendix E shows the debt continuity for both water and wastewater debt from 2026 - 2035.

6.2 Reserve Requirements

There are two (2) separate reserve/reserve funds identified in this study for both water and wastewater for which projections are made:

- The Water and Wastewater Reserve Funds; and
- Water and Wastewater Development Charges Reserve Funds.

Appendix F shows the 2026-2035 schedule for each reserve fund projection. These schedules show the transfers to and from the respective reserves and the opening and closing balances

The water and wastewater reserve funds are funded annually by operating budget transfers. Funds contained in these reserve funds are used in funding the annual non-growth capital needs reflected in the capital need projections, and to provide an account to transfer any projected revenue surpluses, as well as to offset any projected operating deficits in the operating budget. As per the Township's practice, a minimum water and wastewater reserve fund balance of approximately half a years' worth of the average O&M expenditures is maintained over the forecast period. A target level of between 3% and 5% of the future replacement value of the respective capital infrastructure is recommended for the water and wastewater reserves by the end of the 2026-2035 forecast period. As can be seen in Appendix F, the water reserve at the end of the forecast period is projected at approximately $7.0 million, or 5.0% of the future replacement value of water capital infrastructure, whereas the wastewater reserve at the end of the forecast period is projected at approximately $8.5 million, or 4.8% of the future replacement value of wastewater capital infrastructure. Ensuring these target levels are achieved at the end of the forecast period ensures that the Township will be in a strong financial position to address future asset replacement needs beyond 2035.

The water and wastewater development charges reserve funds are required to be established under the *Development Charges Act 1997*. Development charge revenues generated from future anticipated growth are credited to each respective development charges reserve. The development charges reserve fund balances are used in financing the growth-related component of future capital expenditures or used in the servicing of debt that was required to finance past growth-related capital. There is no minimum development charge reserve fund balance required to be maintained or target balance to be achieved. When a development charges reserve

is depleted in any given year growth-related debt will be issued to cash flow the financing of growth-capital. As noted previously, the servicing of growth-related debt will be from the development charges reserve or future development charge proceeds.

For purposes of this rate study, it is assumed that reserve funds earn 2.5% interest on year end balances.

7 Operations & Maintenance (O&M) Expenditure Projections

The annual operating expenditures are based on the operations and maintenance needs of the Township's water and wastewater systems. These include operations and maintenance costs related to the water system (i.e. water treatment and water distribution), and the wastewater system (i.e. wastewater treatment and wastewater collection). These costs generally include the staffing, materials, utilities and other costs related to the following:

- Administration;
- Contracted Services;
- Minor Capital; and
- Maintenance.

Transfers to reserve funds and debt servicing are typically included in the annual O&M budgets. These costs have however been addressed separately for the purposes of this report and are noted in Section 6. A portion of the O&M costs is offset by non-rate revenues. These include:

- Penalties and late payment charges;
- Administrative service fees and charges;
- Service Connection Fees; and
- Recoveries.

The projection of the gross costs and non-rate revenues over the study period is based on the Township's Draft 2026 Operating Budget. It has been assumed that for 2027 and beyond, O&M costs (not including non-recurring costs, reserve transfers and debt servicing) will increase annually by 2%; and Table 7.1 and Table 7.2 show a summary of the Township's projected 2026 operating expenditures for water and wastewater services including transfers of projected surpluses to the capital reserves resulting from customer growth and water and wastewater rate increases and the net amount required to be recovered from customers.

Table 7-1: 2026 Water Operating Expenditures

Description	2026
Salaries & Benefits Expenditures	854,065
Operating Expenditures	777,122
WN Rural WW	7,578
Sub Total Operating Expenditures	**1,638,765**
Capital-Related	
Transfer to Capital Budget	571,617
Transfer to Capital Reserves	835,198
Sub Total Capital Related Expenditures	**1,406,815**
Total Expenditures	**3,045,580**
Non-Rate Revenues	
WW - Meter & Backflow Fee	66,600
WW-Service Connection Fees	20,000
Total Operating Revenue	**86,600**
Net Water Costs to be Recovered From Users	**2,958,980**

Table 7-2: 2026 Wastewater Operating Expenditures

	Forecast
Description	2026
Operations-Related	
Staff Expenditures	$164,859
Operating Expenditures	$415,517
Treatment Plant - Operating	$1,355,541
Sub-Total Operating Expenditures	**$1,935,916**
Capital-Related	
Existing Debt (Principal) - Non-Growth Related	$68,864
Existing Debt (Interest) - Non-Growth Related	$15,924
Existing Debt (Principal) - Growth Related	$390,231
Existing Debt (Interest) - Growth Related	$90,234
Transfer to Capital Budget	$1,036,670
Transfer to Capital Reserves	$681,224
Sub-Total Capital Related Expenditures	**$2,283,147**
Total Expenditures	**$4,219,063**
Non-Rate Revenues	
SS - Misc Revenue	$40,000
SS-Service Connection Fees	$20,000
Contributions from Development Charges Reserve Fund	$480,465
Total Non-Rate Revenues	**$540,465**
Net Wastewater Costs to be Recovered From Users	**$3,678,598**

Appendix G presents the projected 2026 – 2035 detailed water systems gross operating & maintenance costs, non-rate revenues and net costs to be recovered from customers through the Township's water rates. The net annual costs of the water system are expected to increase from $3.0 million in 2026 to approximately $4.3 million by 2034.

Appendix H presents the projected 2026 – 2035 detailed wastewater systems gross operating & maintenance costs, non-rate revenues and net costs to be recovered from customers through the Township's wastewater rates. The net annual costs of the wastewater system are expected to increase from approximately $3.7 million in 2026 to $9.0 million by 2035.

8 Sustainable User Rates and Revenues

The sustainable water and wastewater rates are based on the Township's current water and wastewater rate structure. The current rate structure consists of flat rate water and wastewater charges to residential customers, and base charges, meter maintenance fees (water only) and metered rate charges to non-residential users.

The capital costs and sources of capital financing contained in Section 6 (Capital Budget Projections) and costs and revenues contained in Section 7 (Operating & Maintenance Cost Projections), and the projected growth contained in Section 4 (Customer Growth) and Section 5 (Volume Projections) were considered in calculating the sustainable user rates as presented in this section.

8.1 Current Rates

The Township's current rate structure and rates are shown in Table 8-1. The rate structure includes:

- A (Flat) Base Charge for Residential Customers
- A Base Charge, Meter Maintenance Fee and Uniform Volumetric Rate for Non-Residential Customers

Table 8-1: Current 2025 Water and Wastewater Rates

Category	Water 2025 Approved	Wastewater 2025 Approved
Residential Annual Base Charge	$593.26	$729.67
Non-Residential Annual Base Charge	$711.26	$874.73
Non-Residential Annual Meter Maintenance Fee	$220.80	N/A
Non-Residential Volumetric Rate (per m3)	$2.18	$2.67

8.2 Water Rates and Revenue Projection

Table 8-2 presents the projected sustainable water rates for 2026 – 2035 forecast period. Annual 2.00% increases in the Township's water rates over the forecast period is required to ensure that operating and capital needs as presented in this study will be adequately funded over the 2026-2035 forecast period and to ensure a healthy water reserve fund balance is available at the end of the forecast period to address future water capital replacement requirements beyond 2035.

The recommended annual 2.00% water rate increases was presented to and approved at a special meeting of Council on October 29th. A detailed ten (10) year projection of the sustainable water rates and revenues is presented in Appendix I.

Table 8-2: Projected Water Base Charges and Volumetric Rates

Water Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Arthur Residential	$ 605.13	$ 617.23	$ 629.57	$ 642.16	$ 655.01	$ 668.11	$ 681.47	$ 695.10	$ 709.00	$ 723.18
Mount Forest Residential	$ 605.13	$ 617.23	$ 629.57	$ 642.16	$ 655.01	$ 668.11	$ 681.47	$ 695.10	$ 709.00	$ 723.18
Arthur Non-Residential	$ 725.49	$ 739.99	$ 754.79	$ 769.89	$ 785.29	$ 800.99	$ 817.01	$ 833.35	$ 850.02	$ 867.02
Mount Forest Non-Residential	$ 725.49	$ 739.99	$ 754.79	$ 769.89	$ 785.29	$ 800.99	$ 817.01	$ 833.35	$ 850.02	$ 867.02
Meter Maintenance Fee-Arthur	$ 225.22	$ 229.72	$ 234.31	$ 239.00	$ 243.78	$ 248.66	$ 253.63	$ 258.70	$ 263.88	$ 269.15
Meter Maintenance Fee-Mount Forest	$ 225.22	$ 229.72	$ 234.31	$ 239.00	$ 243.78	$ 248.66	$ 253.63	$ 258.70	$ 263.88	$ 269.15

Water Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Arthur Non-Residential	$ 2.22	$ 2.27	$ 2.31	$ 2.36	$ 2.41	$ 2.46	$ 2.50	$ 2.55	$ 2.61	$ 2.66
Mount Forest Non-Residential	$ 2.22	$ 2.27	$ 2.31	$ 2.36	$ 2.41	$ 2.46	$ 2.50	$ 2.55	$ 2.61	$ 2.66

8.3 Wastewater Rates and Revenue Projection

Table 8-3 presents the projected sustainable wastewater rates for 2026 – 2035 forecast period. Annual 8% increases in the Township's wastewater rates over the forecast period is required to ensure that operating and capital needs, including the additional average annual $2.3 million wastewater asset management replacement and rehabilitation provisions, as presented in this study will be adequately funded over the 2026-2035 forecast period. Annual 8.00% increases in the wastewater rate will also ensure a healthy wastewater reserve fund balance is available at the end of the forecast period to address future wastewater capital replacement requirements beyond 2035. A detailed ten (10) year projection of wastewater rates and revenues is presented in Appendix J.

Table 8-3: Projected Wastewater Base Charges and Volumetric Rates

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Arthur Residential	$ 788.04	$ 851.09	$ 919.17	$ 992.71	$ 1,072.12	$ 1,157.89	$ 1,250.53	$ 1,350.57	$ 1,458.61	$ 1,575.30
Mount Forest Residential	$ 788.04	$ 851.09	$ 919.17	$ 992.71	$ 1,072.12	$ 1,157.89	$ 1,250.53	$ 1,350.57	$ 1,458.61	$ 1,575.30
Arthur Non-Residential	$ 944.71	$ 1,020.29	$ 1,101.91	$ 1,190.06	$ 1,285.27	$ 1,388.09	$ 1,499.13	$ 1,619.06	$ 1,748.59	$ 1,888.48
Mount Forest Non-Residential	$ 944.71	$ 1,020.29	$ 1,101.91	$ 1,190.06	$ 1,285.27	$ 1,388.09	$ 1,499.13	$ 1,619.06	$ 1,748.59	$ 1,888.48

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Arthur Non-Residential	$ 2.88	$ 3.11	$ 3.36	$ 3.63	$ 3.92	$ 4.24	$ 4.58	$ 4.94	$ 5.34	$ 5.76
Mount Forest Non-Residential	$ 2.88	$ 3.11	$ 3.36	$ 3.63	$ 3.92	$ 4.24	$ 4.58	$ 4.94	$ 5.34	$ 5.76

9 Mitigation Options for Wastewater Rate Increases

The sustainable wastewater rate increases of 8% per year as noted in Section 8 provides funding, starting in 2026, for the full additional net wastewater asset management replacement and rehabilitation provision as recommended in the Township's 2025 State of the Infrastructure Report. This provision averages to approximately $2.3 million per year.

To provide a more affordable annual rate increase to wastewater customers it is recommended that the additional net wastewater asset management replacement and rehabilitation provision be phased-in over the forecast period. Phasing the additional net wastewater asset management replacement provision over the forecast period will see the average annual provision be reduced from $2.3 million to $1.3 million and will allow for more affordable wastewater rate increases while working towards achieving the target funding level for wastewater replacement and rehabilitation by the end of the forecast period.

Table 9-1 shows the annual net wastewater asset management replacement and rehabilitation funding under both the full and phased-in option over the 2026-2035 forecast period. Table 9-1 also shows the annual wastewater asset management replacement and rehabilitation funding gaps that total approximately $10.0 million over 10-year forecast period. With any phasing in of the net wastewater asset management replacement and rehabilitation provision it is recommended that the Township pursue funding support from the senior levels of government to assist in offsetting the $10.0 million wastewater asset management replacement and rehabilitation funding gap that will be created.

Table 9-1: Projected Asset Management Replacement and Rehabilitation Provision Funding Gap

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	Average
Required AMRRP	$2,032,673	$2,093,653	$2,156,463	$2,221,156	$2,287,791	$2,356,425	$2,427,118	$2,499,931	$2,574,929	$2,652,177	**$23,302,315**	**$2,330,232**
Phased AMRRP	$ 203,267	$ 418,731	$ 646,939	$ 888,463	$1,143,896	$1,413,855	$1,698,982	$1,999,945	$2,317,436	$2,652,177	**$13,383,690**	**$1,338,369**
ARRA Funding Gap	**$1,829,406**	**$1,674,922**	**$1,509,524**	**$1,332,694**	**$1,143,896**	**$ 942,570**	**$ 728,135**	**$ 499,986**	**$ 257,493**	**$ -**	**$ 9,918,625**	**$ 991,863**

ARRA - Asset Management Replacement and Rehabilitation Provision

For Council's consideration the following three (3) wastewater rate increase mitigation options were presented to Council.

- Wastewater Rate Increase Mitigation Option #1 will see wastewater rates increase by 4% annually
- Wastewater Rate Increase Mitigation Option #2 will see wastewater rates increase by 5% annually
- Wastewater Rate Increase Mitigation Option #3 will see wastewater rates increase by 3.75% annually

The first two wastewater rate increase mitigation options were presented to Council on October 29th. A third wastewater rate increase mitigation option was added and presented to Council on November 17th. Both presentations to Council are attached as Appendix K and L respectively.

Upon review and discussion of the wastewater rate increase mitigation options, Council, at their November 17th meeting, approved Option #1 where wastewater rates will be increased 4.00% annually.

Table 9-2 Presents the wastewater rate increase mitigation option #1 projected rates over the 2026-2035 forecast period.

Table 9-2: Projected Mitigation Option 1 Wastewater Base Charges and Volumetric Rates (4.00%)

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase %Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Mount Forest Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Arthur Non-Residential	$ 909.72	$ 946.11	$ 983.95	$ 1,023.31	$ 1,064.24	$ 1,106.81	$ 1,151.09	$ 1,197.13	$ 1,245.01	$ 1,294.81
Mount Forest Non-Residential	$ 909.72	$ 946.11	$ 983.95	$ 1,023.31	$ 1,064.24	$ 1,106.81	$ 1,151.09	$ 1,197.13	$ 1,245.01	$ 1,294.81

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase %Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95
Mount Forest Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95

The detailed ten (10) year projection of wastewater rates and revenues are presented in Appendix M for the wastewater rate increase mitigation option #1.

Appendix N presents an amended 2026-2035 wastewater capital need forecasts that provides for the phasing in of the wastewater net asset management replacement and rehabilitation provision over the 2026-2035 forecast period. The projected total 2026-2035 wastewater capital needs under Wastewater Rate Increase Mitigation Option #1 is $43.6 million, a $10.0 million reduction from the $53.6 million capital needs forecast as noted in Section 6.

Also noted in the capital financing section of Appendix N, the need for non-growth long term debt over the 2026-2035 forecast period is eliminated, as well as the need for reserve funding being reduced to $25.9 million, down from $31.0 million as noted in Section 6. The growth-related capital program and its respective mix of capital financing do not change.

Appendix O presents the wastewater reserve fund balances over the 2026-2035 forecast period for the wastewater rate mitigation option #1. As noted in Section 6 a target level of between 3% and 5% of the future replacement value of the wastewater capital infrastructure is recommended for the wastewater reserves by the end of the 2026-2035 forecast period.

As can be seen in Appendix O, the Wastewater Rate Mitigation Option #1 2035 yearend reserve fund balance is forecast at $3.6 million, or 2.1% of the future replacement value of wastewater capital infrastructure. This projected level of the wastewater reserve fund falls below the recommended 3% target level and thereby will not provide for the Township to be in a strong financial position to address future wastewater asset replacement needs beyond 2035. However, when the 2035 yearend wastewater reserve fund balance is added to the 2035 forecasted water reserve fund yearend balance of $7.0 million as noted in Section 6, the combined water and wastewater reserve fund 2035 yearend balances when compared to the projected future replacement value of water and wastewater capital infrastructure is 3.4%. As this falls within 3% - 5% of the future replacement value of water and wastewater capital infrastructure, when looked at together, the projected water and wastewater reserve fund 2035 yearend balance would put the Township in a strong financial position to address future water and wastewater asset replacement needs beyond 2035. The combined reserve balances are also presented in Appendix O.

It should be noted however, as the water and wastewater systems are governed separately, using funds from the water reserve fund to support wastewater capital replacements would be tantamount to the Township internally loaning funds from water to wastewater. As such, any funds internally loaned from water to wastewater would have to be repaid in future years.

10 Discussion on Metering Residential Customers

There are currently no meters installed at residential properties that facilitate metering and thereby the recovery of water and wastewater costs by charging a fee based on a residential user's level of consumption. The Township currently charges a flat fee per residential customer to recover water and wastewater costs from the residential sector. Most municipalities across Canada include residential consumption metering as a fundamental component of their respective rate structures along with fixed charges based on the size of the

water meter. This approach to rate setting is consistent with the American Water Works Association (AWWA) guidelines and considered the industry best practice for effective and sustainable system management. The Township's current rate structure for the non-residential sector is generally aligned with industry practices but would need to be revisited as part of the overall rate structure should the Township decide to implement residential water meters.

The Township has requested that a discussion paper be provided for Council's consideration on the benefits and challenges of implementing residential meter reading as a mechanism for water and wastewater cost recovery. This discussion paper can be found in Appendix P.

11 2025 O.Reg 453/07 Water System Financial Plan No. 113-301A and Wastewater System Financial Plan

Regulation 188/07 under the Safe Drinking Water Act requires Ontario municipalities to apply for and obtain Drinking Water System Licences as part of their overall DWQMS. One of the requirements of holding a valid drinking water licence is preparing and submitting to the Province an updated financial plan in accordance with O.Reg. 453/07. The financial plan must include financial statements on the following:

- The proposed or projected financial position of the drinking water systems;
- The proposed or projected gross cash receipts and gross cash payments;
- The proposed or projected financial operations of the drinking water system; and
- Details on the extent to which the above information applies to the replacement of lead service pipes, if applicable.

The financial plan must apply to a period of at least six (6) years with the first year being the year the existing license expires. In the Township's case an updated Water System Financial Plan is required for the period 2026 to 2031. While not mandatory, but in keeping with best practice, a Wastewater System Financial Plan has also been prepared in accordance with the requirements of O.Reg 453/07. It should be noted that the financial plans are based on the results of the rate analysis and rate recommendations contained in this report.

Upon Council's approval the financial plans will be made available to the public at no charge and posted on the Township's website. The water system financial plan will be submitted to the Province as part of the Township's drinking water license renewal application. The wastewater system financial plan will also be submitted to the Province for consideration.

Appendix Q presents the updated water system financial plan as defined in O.Reg. 453/07, thereby allowing the Township to fulfil its obligations under the drinking water licensing regulations for the renewal of its drinking water systems license. The financial outlook for the water system over the 6-year period from 2026-2031 is excellent.

Appendix R presents the wastewater system financial plans as prepared in keeping with the requirements O.Reg. 453/07. The financial outlook for the wastewaters system over the 6-year period from 2026-2031 is fair-good.

12 Recommendations

The following are the main recommendations resulting from the water and wastewater rate study:

1. That implementation of an annual 2% increase Water Rates and Charges as contained in Appendix I be approved to achieve full cost recovery and long-term sustainable financing of the Township's water system.
2. That the additional net wastewater asset management replacement and rehabilitation provision be phased-in over the forecast period as presented in Appendix N.
3. That implementation of an annual 4% increase Wastewater Rates and Charges as contained in Appendix M be approved.
4. That the Township pursue funding support from the senior levels of government to assist in offsetting the $10.0 million wastewater asset management replacement and rehabilitation funding gap as presented in Table 9-1.
5. That the O.Reg. 453/07 Water System Financial Plan No. 113-301A including the Financial Statements contained in Appendix Q be approved by Council and submitted to the Province of Ontario in accordance with the Drinking Water System License renewal requirements and O. Reg. 453/07.
6. That the Wastewater System Financial Plan including the Financial Statements contained in Appendix R be approved by Council and forwarded to the Province of Ontario for consideration.
7. That a copy of the Water Financial Plan No. 113-301A and the Wastewater Financial Plan as contained in Appendix Q and R respectively be posted on the Township's website and made available to the public at no charge.

APPENDICIES

Appendix A

Schedule B
By-Law No. 084-2024
2025 Water & Sewer Fees and Charges

SCHEDULE "B"
WATER & SEWER RATES
Effective January 1, 2025

DESCRIPTION	2025
Water Residential (flat rate)	
Residential - monthly	$49.44
Residential - annually	$593.26
Non-residential Customers – Annual Flat Rate	$711.26
Non-residential	
Rate per cubic metre	$2.18
Meter Maintenance Fee (Commercial / Industrial) - monthly	$18.40
Wastewater (Sewer) Residential (flat rate)	
Residential - monthly	$60.81
Residential - annually	$729.67
Non-residential Customers – Annual Flat Rate	$874.73
Non-residential	
Rate per cubic metre	$2.67
Special Rate (Non-residential) – 460 Durham St E (Green House)	$80.00
Water Account Set up	$26.54
Sewer Account Set up	$26.54

Appendix B

2026 – 2035 Water and Wastewater Customer & Volume Growth Projections

Appendix B: 2026 – 2035 Water and Wastewater Customer & Volume Growth Projections

Water Customer Growth Projection

Water Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,125	1,159	1,193	1,227	1,261	1,281	1,301	1,321	1,341	1,361
Mount Forest Residential	2,210	2,280	2,350	2,420	2,490	2,552	2,614	2,676	2,738	2,800
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	215	219	223	227	231	235	239	243	247	251
Total	3,658	3,768	3,878	3,988	4,098	4,186	4,274	4,362	4,450	4,538

Wastewater Customer Growth Projection

Wastewater Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,111	1,145	1,179	1,213	1,247	1,267	1,287	1,307	1,327	1,347
Mount Forest Residential	2,124	2,194	2,264	2,334	2,404	2,466	2,528	2,590	2,652	2,714
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	214	218	222	226	230	234	238	242	246	250
Total	3,557	3,667	3,777	3,887	3,997	4,085	4,173	4,261	4,349	4,437

Water Volume Growth Projection (Cubic Metres)

Water Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,739	129,097	131,455	133,812	136,170	138,528	140,886	143,244	145,602	147,960
Total	285,038	290,328	295,617	300,906	306,196	311,485	316,775	322,064	327,353	332,643

Wastewater Volume Growth Projection (Cubic Metres)

Wastewater Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,095	128,452	130,809	133,166	135,523	137,880	140,237	142,594	144,951	147,308
Total	284,395	289,683	294,971	300,260	305,548	310,837	316,125	321,413	326,702	331,990

Appendix C

2026 – 2035 Capital Need Forecast - Water

Appendix C: 2026 – 2035 Capital Need Forecast - Water

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
-										
Replacement Capital Arthur	-	-	-	-	-	-	-	-	-	-
Clarke- From Domville to 150m South of Walton	731,600	-	-	-	-	-	-	-	-	-
Adelaide-From Clarke to Conestoga	-	-	650,968	-	-	-	-	-	-	-
Conestoga-FromDomville to 100m South to Walton	-	-	-	-	-	820,766	-	-	-	-
Frederick-From George to Edward	-	-	-	-	-	-	-	-	-	461,890
Edward -From Frederick-Charles	-	-	-	-	-	-	-	-	-	800,609
Spheroid Tower Repairs	-	-	2,068,755	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Replacement Capital Mount Forest	-	-	-	-	-	-	-	-	-	-
Fergus-Birmingham to Durham	-	425,390	-	-	-	-	-	-	-	-
Durham-From Main to Fergus	-	-	-	399,720	-	-	-	-	-	-
Fergus-From Durham to Sligo	-	-	-	-	863,265	-	-	-	-	-
King-From Main to Wellington	-	-	-	-	-	-	352,245	-	-	-
King-From Fergus to East of Egremont	-	-	-	-	-	-	-	798,188	-	-
-	-	-	-	-	-	-	-	-	-	-
Water System Extension Arthur	-	-	-	-	-	-	-	-	-	-
Wells-From Domville to McCauley	-	-	-	-	2,248,204	-	-	-	-	-
McCauley-FromWells to Eliza	-	-	-	-	1,666,316	-	-	-	-	-
Eliza-From McCauley to Tucker	-	-	-	-	462,865	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Water System Extension Mount Forest	-	-	-	-	-	-	-	-	-	-
South Water-From Dead End to Bristol	-	541,059	-	-	-	-	-	-	-	-
Industrial-From Ex.Dead End to Coral Lea	-	-	-	-	-	-	-	178,332	-	-
Coral Lea-Industrial to New E.T. Site	-	-	-	-	-	-	-	490,412	-	-
Coral Lea-New E.T. Sitr to Highway 6	-	-	-	-	-	-	-	679,075	-	-
Highway 6-From Coral Lea to OPP Station	-	-	-	-	-	-	-	115,916	-	-
-	-	-	-	-	-	-	-	-	-	-
Vertical Water System Infrastructure-Arthur (Growth)	-	-	-	-	-	-	-	-	-	-
New Tower 1	-	-	-	-	-	11,129,031	-	-	-	-
New Well	-	-	-	-	-	5,396,421	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Vertical Water System Infrastructure-Mount Forest (Growth)	-	-	-	-	-	-	-	-	-	-
New Elevated Tank	-	-	-	-	-	-	-	11,191,852	-	-
-	-	-	-	-	-	-	-	-	-	-
Asset Replacement and Rehabilitation Adjustment	309,112	318,385	327,937	337,775	347,908	358,346	369,096	380,169	391,574	403,321
-	-	-	-	-	-	-	-	-	-	-
Non-TCA Capital	-	-	-	-	-	-	-	-	-	-
Master Servicing Plan Technical Update (Arthur)	-	-	-	33,956	-	-	-	-	39,365	-
Master Servicing Plan Technical Update (Mount Forest)	-	-	-	33,956	-	-	-	-	39,365	-
Water and Sewer Rate Study and Financial Plan	-	-	-	-	19,696	-	-	-	-	22,834
Total Capital Expenditures	**1,040,712**	**1,284,834**	**3,047,660**	**805,408**	**5,608,255**	**17,704,564**	**721,341**	**13,833,943**	**1,068,219**	**1,688,653**
Capital Financing										
Development Charges	-	486,953	-	67,913	1,939,647	394,089	-	288,547	78,730	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	-	-	-	2,000,000	12,000,000	-	8,000,000	-	-
Operating Contributions (Capital From Current)	571,617	-	-	-	-	-	-	-	-	-
Water Capital Reserve	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Total Capital Financing	**1,040,712**	**1,284,834**	**3,047,660**	**805,408**	**5,608,255**	**17,704,564**	**721,341**	**13,833,943**	**1,068,219**	**1,688,653**

Appendix D

2026 – 2035 Capital Need Forecast - Wastewater

Appendix D: 2026 – 2035 Capital Need Forecast - Wastewater

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
-										
Replacement Capital Arthur	-	-	-	-	-	-	-	-	-	-
Clark- from Domville to Smith	1,104,000	-	-	-	-	-	-	-	-	-
Adelaide-From Clarke to Connestoga	-	-	634,418	-	-	-	-	-	-	-
Conestoga-From Domvile to 100m South of Walton	-	-	-	-	-	799,899	-	-	-	-
Edward-From Frederick to Charles	-	-	-	-	-	-	-	-	-	780,254
OCWA Capital Expenditures-Arthur	113,810	117,225	120,741	124,363	128,094	131,937	135,895	139,972	144,171	148,496
-	-	-	-	-	-	-	-	-	-	-
Replacement Capital Mount Forest	-	-	-	-	-	-	-	-	-	-
Fergus-From Birmingham to Durham	-	414,575	-	-	-	-	-	-	-	-
Durham-From Main to Fergus	-	-	-	389,557	-	-	-	-	-	-
Fergus-From Durham to Sligo	-	-	-	-	841,318	-	-	-	-	-
King-From Fergus to East of Egremont	-	-	-	-	-	-	-	-	850,003	-
Newfoundland-From king to Wellington	-	-	-	-	-	-	-	-	-	405,132
OCWA Capital Expenditures-Mount Forest	278,571	286,928	295,536	304,402	313,534	322,940	332,628	342,607	352,885	363,471
-	-	-	-	-	-	-	-	-	-	-
Wastewater System Extension Arthur	-	-	-	-	-	-	-	-	-	-
Wells-From Rail Trail to Mc Cauley	-	-	-	-	1,164,902	-	-	-	-	-
McCauley-From Wells to Eliza	-	-	-	-	1,595,409	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Wastewater System Extension Mount Forest	-	-	-	-	-	-	-	-	-	-
South Water-From Dead End to Bristol	-	514,794	-	-	-	-	-	-	-	-
Industrial-From Ex. Dead End to Coral Lea	-	-	-	-	-	-	-	206,619	-	-
Coral Lea-Industrial to New E.T. Site	-	-	-	-	-	-	-	473,501	-	-
-	-	-	-	-	-	-	-	-	-	-
Vertical Wastewater System Infrastructure-Arthur (Growth)	-	-	-	-	-	-	-	-	-	-
AWWTP Phase 2	-	13,905,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Vertical Wastewater System Infrastructure-Mount Forest (Growth)	-	-	-	-	-	-	-	-	-	-
South Water SPS	-	1,483,200	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Asset Replacement and Rehabilitation Adjustment	2,032,673	2,093,653	2,156,463	2,221,156	2,287,791	2,356,425	2,427,118	2,499,931	2,574,929	2,652,177
-	-	-	-	-	-	-	-	-	-	-
Non-TCA Capital	-	-	-	-	-	-	-	-	-	-
Water and Sewer Rate Study and Financial Plan	-	-	-	-	19,696	-	-	-	-	22,834
Master Servicing Plan Technical Update (Arthur)	-	-	-	33,956	-	-	-	-	39,365	-
Master Servicing Plan Technical Update (Mount Forest)	-	-	-	33,956	-	-	-	-	39,365	-
Total Capital Expenditures	**3,529,054**	**18,815,374**	**3,207,158**	**3,107,392**	**6,350,744**	**3,611,201**	**2,895,641**	**3,662,630**	**4,000,718**	**4,372,365**
Capital Financing										
Development Charges	-	9,071,976	-	67,913	2,274,485	-	-	442,078	78,730	-
Non-Growth Related Debenture Requirements	-	2,817,074	896,612	342,270	692,888	-	-	-	-	-
Growth Related Debenture Requirements	-	4,596,948	-	-	209,794	-	-	-	-	-
Operating Contributions (Capital From Current)	1,036,670	-	-	-	-	-	-	-	-	-
Wastewater Capital Reserve	2,492,384	2,329,376	2,310,546	2,697,209	3,173,576	3,611,201	2,895,641	3,220,552	3,921,988	4,372,365
Total Capital Financing	**3,529,054**	**18,815,374**	**3,207,158**	**3,107,392**	**6,350,744**	**3,611,201**	**2,895,641**	**3,662,630**	**4,000,718**	**4,372,365**

Appendix E

2026 – 2035 Water and Wastewater Debt Continuity Schedules

APPENDIX E: 2026 – 2035 Water and Wastewater Debt Continuity Schedules

Note: There is no non-growth-related water debt projected over the forecast period

Water Growth-Related Debt

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	-	-	-	-	-	108,743	761,199	761,199	1,196,169	1,196,169
Total Annual Interest Expense	-	-	-	-	-	70,000	488,644	479,105	749,231	733,588
Total Annual Principal Repayments	-	-	-	-	-	38,743	272,555	282,094	446,938	462,581
New Debt Issues	-	-	-	-	2,000,000	12,000,000	-	8,000,000	-	-
Outstanding Water Growth-Related Debt	**-**	**-**	**-**	**-**	**2,000,000**	**13,961,257**	**13,688,703**	**21,406,609**	**20,959,671**	**20,497,090**

Wastewater Growth-Related Debt

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	480,465	480,466	818,716	818,716	818,716	834,153	353,688	353,688	353,688	353,688
Total Annual Interest Expense	90,234	75,861	244,914	223,143	200,767	185,869	165,766	158,249	150,432	142,301
Total Annual Principal Repayments	390,231	404,604	573,802	595,574	617,950	648,285	187,922	195,439	203,257	211,387
New Debt Issues	-	4,596,948	-	-	209,794	-	-	-	-	-
Outstanding Wastewater Growth-Related Debt	**2,177,628**	**6,369,972**	**5,796,169**	**5,200,596**	**4,792,440**	**4,144,155**	**3,956,233**	**3,760,794**	**3,557,537**	**3,346,150**

Wastewater Non-Growth-Related Debt

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	84,788	84,788	292,073	358,047	383,232	434,216	349,428	349,428	349,428	349,428
Total Annual Interest Expense	15,924	13,387	123,454	152,782	158,518	177,497	168,256	161,010	153,473	145,635
Total Annual Principal Repayments	68,864	71,401	168,619	205,265	224,715	256,720	181,172	188,419	195,955	203,794
New Debt Issues	-	2,817,074	896,612	342,270	692,888	-	-	-	-	-
Outstanding Wastewater Non-Growth-Related Debt	**384,287**	**3,129,961**	**3,857,953**	**3,994,958**	**4,463,131**	**4,206,412**	**4,025,240**	**3,836,821**	**3,640,866**	**3,437,072**

Appendix F

2026 – 2035 Reserve Fund Projections

APPENDIX F: 2026 – 2035 Water and Wastewater Reserve Funds Projections

Water Development Charges Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	2,191,632	2,726,411	2,790,816	3,371,833	3,914,146	2,568,394	2,589,349	2,361,306	1,847,601	1,106,579
Development Charge Proceeds	468,281	483,290	498,777	514,759	531,251	460,632	475,564	490,977	506,887	523,310
Transfer to Capital	-	486,953	-	67,913	1,939,647	394,089		288,547	78,730	
Transfer to Operating	-	-	-	-	-	108,743	761,199	761,199	1,196,169	1,196,169
Closing Balance	**2,659,913**	**2,722,747**	**3,289,593**	**3,818,679**	**2,505,750**	**2,526,194**	**2,303,714**	**1,802,538**	**1,079,589**	**433,719**
Interest	66,498	68,069	82,240	95,467	62,644	63,155	57,593	45,063	26,990	10,843
Closing Balance (with interest)	**2,726,411**	**2,790,816**	**3,371,833**	**3,914,146**	**2,568,394**	**2,589,349**	**2,361,306**	**1,847,601**	**1,106,579**	**444,562**

Water Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,440,757	8,002,031	8,939,136	7,710,480	8,939,915	9,370,747	6,193,711	7,759,188	4,541,133	6,038,438
Transfer to Capital	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Transfer to Operating										
Transfer from Operating Budget	835,198	1,516,958	1,630,944	1,748,883	1,870,886	1,982,373	2,097,570	2,216,582	2,339,515	2,466,480
Surplus/(Deficit)										
Closing Balance	**7,806,860**	**8,721,108**	**7,522,419**	**8,721,868**	**9,142,193**	**6,042,645**	**7,569,940**	**4,430,374**	**5,891,159**	**6,816,265**
Interest	195,171	218,028	188,060	218,047	228,555	151,066	189,248	110,759	147,279	170,407
Closing Balance (with interest)	**8,002,031**	**8,939,136**	**7,710,480**	**8,939,915**	**9,370,747**	**6,193,711**	**7,759,188**	**4,541,133**	**6,038,438**	**6,986,671**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Asset Replacement Value	$84,717,137	$87,745,605	$90,377,973	$93,157,225	$99,891,588	$115,282,425	$118,740,898	$130,591,672	$134,588,152	$138,625,796
Maximum Balance (5%)	$4,235,857	$4,387,280	$4,518,899	$4,657,861	$4,994,579	$5,764,121	$5,937,045	$6,529,584	$6,729,408	$6,931,290
Minimum Balance (3%)	$2,541,514	$2,632,368	$2,711,339	$2,794,717	$2,996,748	$3,458,473	$3,562,227	$3,917,750	$4,037,645	$4,158,774
Current Balance	**9.4%**	**10.2%**	**8.5%**	**9.6%**	**9.4%**	**5.4%**	**6.5%**	**3.5%**	**4.5%**	**5.0%**

Wastewater Development Charges Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	6,898,859	8,062,030	-	734,318	1,464,588	-	586,345	1,723,066	2,479,613	3,673,379
Development Charge Proceeds	1,447,002	1,490,412	1,535,124	1,581,178	1,628,613	1,406,198	1,448,383	1,491,835	1,536,590	1,582,688
Transfer to Capital		9,071,976		67,913	2,274,485			442,078	78,730	
Transfer to Operating	480,465	480,466	818,716	818,716	818,716	834,153	353,688	353,688	353,688	353,688
Closing Balance	**7,865,396**	**-**	**716,408**	**1,428,866**	**-**	**572,044**	**1,681,040**	**2,419,135**	**3,583,785**	**4,902,379**
Interest	196,635	-	17,910	35,722	-	14,301	42,026	60,478	89,595	122,559
Closing Balance (with Interest)	**8,062,030**	**-**	**734,318**	**1,464,588**	**-**	**586,345**	**1,723,066**	**2,479,613**	**3,673,379**	**5,024,938**

Wastewater Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	1,219,765	1,000,252	1,000,402	1,000,570	1,000,758	1,043,169	2,506,281	4,333,833	6,216,483
Transfer to Capital	2,492,384	2,329,376	2,310,546	2,697,209	3,173,576	3,611,201	2,895,641	3,220,552	3,921,988	4,372,365
Transfer from Operating Budget	681,224	2,085,467	2,286,296	2,672,973	3,149,355	3,628,169	4,297,623	4,942,401	5,653,017	6,435,727
Closing Balance	**1,190,014**	**975,856**	**976,002**	**976,166**	**976,349**	**1,017,726**	**2,445,152**	**4,228,129**	**6,064,862**	**8,279,845**
Interest	29,750	24,396	24,400	24,404	24,409	25,443	61,129	105,703	151,622	206,996
Closing Balance (with Interest)	**1,219,765**	**1,000,252**	**1,000,402**	**1,000,570**	**1,000,758**	**1,043,169**	**2,506,281**	**4,333,833**	**6,216,483**	**8,486,841**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Asset Replacement Value	$118,487,921	$135,711,483	$139,782,827	$144,044,225	$150,849,831	$155,375,326	$160,036,586	$165,279,762	$170,316,884	$175,426,391
Maximum Balance (5%)	$5,924,396	$6,785,574	$6,989,141	$7,202,211	$7,542,492	$7,768,766	$8,001,829	$8,263,988	$8,515,844	$8,771,320
Minimum Balance (3%)	$3,554,638	$4,071,344	$4,193,485	$4,321,327	$4,525,495	$4,661,260	$4,801,098	$4,958,393	$5,109,507	$5,262,792
Current Balance	**1.0%**	**0.7%**	**0.7%**	**0.7%**	**0.7%**	**0.7%**	**1.6%**	**2.6%**	**3.6%**	**4.8%**

Appendix G

2026 – 2035 Operating Expenditure Forecast
Water

APPENDIX G: 2026 – 2035 Operating Expenditure Forecast - Water

Water Operating Expenditure Forecast

	Forecast									
Description	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Salaries & Benefits Expenditures	-	-	-	-	-	-	-	-	-	-
WW-Salaries - Supt.	55,687	56,801	57,937	59,096	60,278	61,483	62,713	63,967	65,246	66,551
WW- Benefits	11,368	11,595	11,827	12,063	12,305	12,551	12,802	13,058	13,319	13,585
WW - Group Benefits (NEW)	90,819	92,636	94,488	96,378	98,306	100,272	102,277	104,323	106,409	108,537
WW-ADM Salaries/Wages	277,115	282,658	288,311	294,077	299,959	305,958	312,077	318,318	324,685	331,178
WW-ADM Benefits	61,228	62,453	63,702	64,976	66,275	67,601	68,953	70,332	71,739	73,173
WW-Training Salaries/Wages	18,010	18,370	18,738	19,112	19,495	19,884	20,282	20,688	21,102	21,524
WW-Training Benefits	3,460	3,529	3,600	3,671	3,745	3,820	3,896	3,974	4,054	4,135
WW-Locates Salaries/Wages	119,948	122,346	124,793	127,289	129,835	132,432	135,080	137,782	140,538	143,348
WW-Locates Benefits	23,064	23,526	23,996	24,476	24,966	25,465	25,974	26,494	27,024	27,564
WW-Well Operation Salaries/Wages	132,840	135,497	138,207	140,971	143,791	146,666	149,600	152,592	155,644	158,756
WW-Well Operation Benefits	26,362	26,889	27,427	27,976	28,535	29,106	29,688	30,282	30,887	31,505
WW-Main/Service/Mtce Salaries/Wages	11,121	11,344	11,570	11,802	12,038	12,279	12,524	12,775	13,030	13,291
WW-Main/Service/Mtce Benefits	2,134	2,176	2,220	2,264	2,310	2,356	2,403	2,451	2,500	2,550
WW-Hydrant Mtce Salaries/Wages	17,549	17,900	18,258	18,623	18,996	19,376	19,763	20,158	20,562	20,973
WW-Hydrant Mtce Benefits	3,360	3,427	3,496	3,565	3,637	3,710	3,784	3,859	3,937	4,015
WW-LEAD TESTING	-	-	-	-	-	-	-	-	-	-
WW-LEAD TESTING Benefits	-	-	-	-	-	-	-	-	-	-
Operating Expenditures	-	-	-	-	-	-	-	-	-	-
WW-Materials & Supplies	220,000	224,400	228,888	233,466	238,135	242,898	247,756	252,711	257,765	262,920
WW-Meters & Hardware	3,100	3,162	3,225	3,290	3,356	3,423	3,491	3,561	3,632	3,705
WW-Testing/Sampling	27,000	27,540	28,091	28,653	29,226	29,810	30,406	31,015	31,635	32,267
WW - Water Tower Inspection & Mtce	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
WW-Backflow Preventer Testing	46,350	47,277	48,223	49,187	50,171	51,174	52,198	53,242	54,306	55,393
WW - Meter/Backflow preventer maintenance		-	-	-	-	-	-	-	-	-
WW-Water Testing (Lead)	500	510	520	531	541	552	563	574	586	598
WW - Leak Detection	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
WW - Property Expense	10,923	11,142	11,365	11,592	11,824	12,060	12,301	12,547	12,798	13,054
WW - Well Maintenance	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706
WW - Locates (Ontario One)	1,200	1,224	1,248	1,273	1,299	1,325	1,351	1,378	1,406	1,434
WW - Advertising	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390
WW - Audit Fee		-	-	-	-	-	-	-	-	-
WW - Computer	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926
WW-Insurance	58,529	59,699	60,893	62,111	63,353	64,620	65,913	67,231	68,576	69,947
WW - Insurance Claims Deductible		-	-	-	-	-	-	-	-	-
WW-Consulting/Engineering	27,000	27,540	28,091	28,653	29,226	29,810	30,406	31,015	31,635	32,267
WW - Drinking Water Quality Mgmt Standards	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
WW - Memberships	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988
WW-Conferences, training & travel	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902
WW-Safety Clothing Allowance	3,200	3,264	3,329	3,396	3,464	3,533	3,604	3,676	3,749	3,824
WW-Telephone	7,500	7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963
WW-Services & Rents(HEC Billings)	72,971	74,430	75,919	77,437	78,986	80,566	82,177	83,821	85,497	87,207
WW-Truck #2 2010 Dodge Pickup	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
WW-Truck #5 2021 Dodge Pickup	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
WW-Truck #3 2017 Ford Pickup	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
WW-Truck #4 2017 Ford Pickup	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
WW-Truck #1 2023 Dodge Pickup that replaced 1-10-42-000-53	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
WW - Equipment Mtce Oil & Gas	23,000	23,460	23,929	24,408	24,896	25,394	25,902	26,420	26,948	27,487
WW - Source Water Protection	19,500	19,890	20,288	20,694	21,107	21,530	21,960	22,399	22,847	23,304
MF WW-Well #3 (Mtce & hydro)	13,150	13,413	13,681	13,955	14,234	14,518	14,809	15,105	15,407	15,715
MF WW-Well #4 (Mtce & hydro)	13,150	13,413	13,681	13,955	14,234	14,518	14,809	15,105	15,407	15,715
MF WW-Well #5 (Mtce & hydro)	13,150	13,413	13,681	13,955	14,234	14,518	14,809	15,105	15,407	15,715
MF WW-Well #6 (Mtce & hydro)	13,150	13,413	13,681	13,955	14,234	14,518	14,809	15,105	15,407	15,715
AV WW-Well #1(Mtce & hydro)	3,287	3,353	3,420	3,489	3,558	3,630	3,702	3,776	3,852	3,929
AV WW-Well #5 (Mtce & hydro)	5,479	5,589	5,700	5,814	5,931	6,049	6,170	6,294	6,420	6,548
AV WW-Well #7 & 7B(Mtce & hydro)	10,958	11,177	11,401	11,629	11,861	12,099	12,341	12,588	12,839	13,096
WW - AV WW - Well #8A & 8B Mtce/Utilities	19,725	20,119	20,522	20,932	21,351	21,778	22,213	22,658	23,111	23,573
WW-Interfunctional Transfer	9,800	9,996	10,196	10,400	10,608	10,820	11,036	11,257	11,482	11,712
WN Rural WW	-	-	-	-	-	-	-	-	-	-
WW-WN-Rural Systems-Wages	4,120	4,202	4,286	4,372	4,460	4,549	4,640	4,733	4,827	4,924
WW-WN-Rural Systems-Benefits	1,058	1,079	1,101	1,123	1,145	1,168	1,191	1,215	1,240	1,264
WW-WN-Rural Systems Expenses	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390
WW-WN Rural Systems-Consulting	400	408	416	424	433	442	450	459	469	478
WW-WN-Rural Systems-Conferences & Training	-	-	-	-	-	-	-	-	-	-
Sub Total Operating Expenditures	**1,638,765**	**1,671,540**	**1,704,971**	**1,739,070**	**1,773,852**	**1,809,329**	**1,845,515**	**1,882,426**	**1,920,074**	**1,958,476**
Capital-Related										
New Growth Related Debt (Principal)	-	-	-	-	-	38,743	272,555	282,094	446,938	462,581
New Growth Related Debt (Interest)	-	-	-	-	-	70,000	488,644	479,105	749,231	733,588
Transfer to Capital Budget	571,617									
Transfer to Capital Reserves	835,198	1,516,958	1,630,944	1,748,883	1,870,886	$ 1,982,373	$ 2,097,570	$ 2,216,582	$ 2,339,515	$ 2,466,480
Sub Total Capital Related Expenditures	**1,406,815**	**1,516,958**	**1,630,944**	**1,748,883**	**1,870,886**	**2,091,115**	**2,858,768**	**2,977,780**	**3,535,685**	**3,662,649**
Total Expenditures	**3,045,580**	**3,188,498**	**3,335,915**	**3,487,953**	**3,644,738**	**3,900,444**	**4,704,284**	**4,860,206**	**5,455,759**	**5,621,125**
Non-Rate Revenues										
WW - Meter & Backflow Fee	66,600	67,932	69,291	70,676	72,090	73,532	75,002	76,502	78,033	79,593
WW-Service Connection Fees	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902
Total-Non Rate Revenues	**86,600**	**88,332**	**90,099**	**91,901**	**93,739**	**95,613**	**97,526**	**99,476**	**101,466**	**103,495**
Operating Subsidies										
Contributions from Development Charges Reserve Fund	-	-	-	-	-	108,743	761,199	761,199	1,196,169	1,196,169
Total Operating Revenue	**86,600**	**88,332**	**90,099**	**91,901**	**93,739**	**204,356**	**858,724**	**860,675**	1,297,635	1,299,664
Net Water Costs to be Recovered From Users	**2,958,980**	**3,100,166**	**3,245,816**	**3,396,052**	**3,551,000**	**3,696,088**	**3,845,559**	**3,999,531**	**4,158,124**	**4,321,460**

Appendix H

2026 – 2035 Operating Expenditure Forecast
Wastewater

APPENDIX H: 2026 – 2035 Operating Expenditure Forecast - Wastewater

Wastewater Operating Budget Forecast

	Forecast									
Description	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Staff Expenditures	-	-	-	-	-	-	-	-	-	-
SS-Salaries Corey, Ed, Supt.	119,994	122,394	124,842	127,339	129,886	132,483	135,133	137,836	140,592	143,404
SS-Benefits	23,479	23,948	24,427	24,916	25,414	25,923	26,441	26,970	27,509	28,059
SS - Group Benefits (NEW)	15,386	15,694	16,007	16,328	16,654	16,987	17,327	17,674	18,027	18,388
SS-Salaries (Works Employees)	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
SS-Benefits (Works Employees)	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
Operating Expenditures	-	-	-	-	-	-	-	-	-	-
SS-Materials/Supplies/Rent	90,000	91,800	93,636	95,509	97,419	99,367	101,355	103,382	105,449	107,558
SS - Sewer Inspections (Camera)	7,500	7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963
SS-Line Flushing	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926
SS-Pumping Stn -Utilities & Mtce - A & MF	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706
SS- Property Expense	86,493	88,223	89,987	91,787	93,623	95,495	97,405	99,353	101,340	103,367
SS - Locates (Ontario One)	1,200	1,224	1,248	1,273	1,299	1,325	1,351	1,378	1,406	1,434
SS-Insurance	5,184	5,288	5,393	5,501	5,611	5,723	5,838	5,955	6,074	6,195
SS-Consultants Fees	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902
SS-Telephone	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756
SS-Services (WNP Billing only)	59,300	60,486	61,696	62,930	64,188	65,472	66,781	68,117	69,479	70,869
SS - Equipment Oil & Gas	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988
I/I Improvements	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951
SS-Interfunctional Transfer	49,340	50,327	51,333	52,360	53,407	54,475	55,565	56,676	57,810	58,966
Treatment Plant - Operating	-	-	-	-	-	-	-	-	-	-
SS-MF MOE Operating (OCWA) ELIMINATE	431,037	439,658	448,451	457,420	466,569	475,900	485,418	495,127	505,029	515,130
SS-MF Disposal/Storage/Utilities/Mtce ELIM	314,150	320,433	326,842	333,378	340,046	346,847	353,784	360,860	368,077	375,438
SS-Arthur MOE Operating (OCWA) ELIMINATE	385,353	393,060	400,922	408,940	417,119	425,461	433,970	442,650	451,503	460,533
SS-Arthur Disposal Mtce	225,000	229,500	234,090	238,772	243,547	248,418	253,387	258,454	263,623	268,896
Sub Total Operating Expenditures	**1,935,916**	**1,974,634**	**2,014,127**	**2,054,410**	**2,095,498**	**2,137,408**	**2,180,156**	**2,223,759**	**2,268,234**	**2,313,599**
Capital-Related										
Existing Debt (Principal) - Non-Growth Related	68,864	71,401	74,017	76,769	79,585	82,516	-	-	-	-
Existing Debt (Interest) - Non-Growth Related	15,924	13,387	10,771	8,019	5,203	2,272	-	-	-	-
Existing Debt (Principal) - Growth Related	390,231	404,604	419,429	435,025	450,979	467,590	-	-	-	-
Existing Debt (Interest) - Growth Related	90,234	75,861	61,036	45,440	29,486	12,875	-	-	-	-
New Non-Growth Related Debt (Principal)	-	-	94,602	128,496	145,130	174,204	181,172	188,419	195,955	203,794
New Non-Growth Related Debt (Interest)	-	-	112,683	144,763	153,314	175,225	168,256	161,010	153,473	145,635
New Growth Related Debt (Principal)	-	-	154,374	160,549	166,970	180,695	187,922	195,439	203,257	211,387
New Growth Related Debt (Interest)	-	-	183,878	177,703	171,281	172,994	165,766	158,249	150,432	142,301
Transfer to Capital Budget	1,036,670									
Transfer to Capital Reserves	681,224	2,085,467	2,286,296	2,672,973	3,149,355	3,628,169	4,297,623	4,942,401	5,653,017	6,435,727
Sub Total Capital Related Expenditures	**2,283,147**	**2,650,721**	**3,397,085**	**3,849,737**	**4,351,304**	**4,896,539**	**5,000,740**	**5,645,518**	**6,356,134**	**7,138,844**
Total Expenditures	**4,219,063**	**4,625,355**	**5,411,212**	**5,904,147**	**6,446,801**	**7,033,947**	**7,180,896**	**7,869,277**	**8,624,368**	**9,452,443**
Non-Rate Revenues										
SS - Misc Revenue	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804
SS-Service Connection Fees	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
Total-Non Rate Revenues	**65,000**	**66,300**	**67,626**	**68,979**	**70,358**	**71,765**	**73,201**	**74,665**	**76,158**	**77,681**
Operating Subsidies						-				
Contributions from Development Charges Reserve Fund	480,465	480,466	818,716	818,716	818,716	834,153	353,688	353,688	353,688	353,688
Total Operating Revenue	**545,465**	**546,766**	**886,342**	**887,695**	**889,074**	**905,919**	**426,889**	**428,353**	**429,846**	**431,370**
Net Wastewater Costs to be Recovered From Users	**3,673,598**	**4,078,590**	**4,524,870**	**5,016,452**	**5,557,727**	**6,128,028**	**6,754,007**	**7,440,924**	**8,194,522**	**9,021,073**

Appendix I

Projected 2026 – 2035 Sustainable Water Rates and Revenues

APPENDIX I: Projected 2026 – 2035 Sustainable Water Rates and Revenues

WATER BASE RATE AND REVENUE CALCULATION

Projected Number of Water Accounts

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,125	1,159	1,193	1,227	1,261	1,281	1,301	1,321	1,341	1,361
Mount Forest Residential	2,210	2,280	2,350	2,420	2,490	2,552	2,614	2,676	2,738	2,800
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	215	219	223	227	231	235	239	243	247	251
Total	**3,658**	**3,768**	**3,878**	**3,988**	**4,098**	**4,186**	**4,274**	**4,362**	**4,450**	**4,538**

Projected Annual Water Base Charges

Water Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Arthur Residential	$ 605.13	$ 617.23	$ 629.57	$ 642.16	$ 655.01	$ 668.11	$ 681.47	$ 695.10	$ 709.00	$ 723.18
Mount Forest Residential	$ 605.13	$ 617.23	$ 629.57	$ 642.16	$ 655.01	$ 668.11	$ 681.47	$ 695.10	$ 709.00	$ 723.18
Arthur Non-Residential	$ 725.49	$ 739.99	$ 754.79	$ 769.89	$ 785.29	$ 800.99	$ 817.01	$ 833.35	$ 850.02	$ 867.02
Mount Forest Non-Residential	$ 725.49	$ 739.99	$ 754.79	$ 769.89	$ 785.29	$ 800.99	$ 817.01	$ 833.35	$ 850.02	$ 867.02
Meter Maintenance Fee-Arthur	$ 225.22	$ 229.72	$ 234.31	$ 239.00	$ 243.78	$ 248.66	$ 253.63	$ 258.70	$ 263.88	$ 269.15
Meter Maintenance Fee-Mount Forest	$ 225.22	$ 229.72	$ 234.31	$ 239.00	$ 243.78	$ 248.66	$ 253.63	$ 258.70	$ 263.88	$ 269.15

Projected Annual Revenue Generated from Water Base Charges

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	$ 680,766	$ 715,367	$ 751,080	$ 787,935	$ 825,964	$ 855,845	$ 886,592	$ 918,225	$ 950,770	$ 984,249
Mount Forest Residential	$1,337,327	$1,407,279	$1,479,495	$1,554,036	$1,630,967	$1,705,009	$1,781,361	$1,860,084	$1,941,244	$2,024,906
Arthur Non-Residential	$ 78,352	$ 81,399	$ 84,537	$ 87,768	$ 91,093	$ 94,517	$ 98,042	$ 101,669	$ 105,403	$ 109,245
Mount Forest Non-Residential	$ 155,979	$ 162,059	$ 168,319	$ 174,765	$ 181,402	$ 188,234	$ 195,266	$ 202,505	$ 209,955	$ 217,623
Meter Maintenance Fee-Arthur	$ 24,323	$ 25,269	$ 26,243	$ 27,246	$ 28,279	$ 29,341	$ 30,436	$ 31,562	$ 32,721	$ 33,913
Meter Maintenance Fee-Mount Forest	$ 48,421	$ 50,309	$ 52,252	$ 54,253	$ 56,313	$ 58,434	$ 60,618	$ 62,865	$ 65,177	$ 67,558
Total	**$2,325,169**	**$2,441,682**	**$2,561,926**	**$2,686,003**	**$2,814,018**	**$2,931,381**	**$3,052,313**	**$3,176,910**	**$3,305,270**	**3,437,493**

WATER UNIFORM RATE AND REVENUE CALCULATION

Projected Annual Water Consumption in Cubic Metres

Non-Residential Water Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,739	129,097	131,455	133,812	136,170	138,528	140,886	143,244	145,602	147,960
Projected Non-Residential Water Consumption	**285,038**	**290,328**	**295,617**	**300,906**	**306,196**	**311,485**	**316,775**	**322,064**	**327,353**	**332,643**

Projected Annual Uniform Water Rates

Water Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Arthur Non-Residential	$ 2.22	$ 2.27	$ 2.31	$ 2.36	$ 2.41	$ 2.46	$ 2.50	$ 2.55	$ 2.61	$ 2.66
Mount Forest Non-Residential	$ 2.22	$ 2.27	$ 2.31	$ 2.36	$ 2.41	$ 2.46	$ 2.50	$ 2.55	$ 2.61	$ 2.66

Projected Annual Water Volumetric Revenue

Revenues	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	$ 351,995	$ 365,683	$ 379,779	$ 394,292	$ 409,233	$ 424,615	$ 440,448	$ 456,744	$ 473,517	490,777
Mount Forest Non-Residential	$ 281,816	$ 292,800	$ 304,111	$ 315,758	$ 327,748	$ 340,092	$ 352,798	$ 365,877	$ 379,337	393,190
Projected Uniform Water Rate Revenues	**$ 633,811**	**$ 658,484**	**$ 683,890**	**$ 710,049**	**$ 736,981**	**$ 764,707**	**$ 793,246**	**$ 822,621**	**$ 852,854**	**883,967**

Total Water User Revenues	**$2,958,980**	**$3,100,166**	**$3,245,816**	**$3,396,052**	**$3,551,000**	**$3,696,088**	**$3,845,559**	**$3,999,531**	**$4,158,124**	**4,321,460**

Appendix J

Projected 2026 – 2035 Sustainable Wastewater Rates and Revenues

APPENDIX J: Projected 2026 – 2035 Sustainable Wastewater Rates and Revenues

WASTEWATER BASE RATE CALCULATION

Projected Number of Wastewater Accounts

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,111	1,145	1,179	1,213	1,247	1,267	1,287	1,307	1,327	1,347
Mount Forest Residential	2,124	2,194	2,264	2,334	2,404	2,466	2,528	2,590	2,652	2,714
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	214	218	222	226	230	234	238	242	246	250
Projected Wastewater Customers	**3,557**	**3,667**	**3,777**	**3,887**	**3,997**	**4,085**	**4,173**	**4,261**	**4,349**	**4,437**

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase %Increases	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Arthur Residential	$ 788.04	$ 851.09	$ 919.17	$ 992.71	$ 1,072.12	$ 1,157.89	$ 1,250.53	$ 1,350.57	$ 1,458.61	$ 1,575.30
Mount Forest Residential	$ 788.04	$ 851.09	$ 919.17	$ 992.71	$ 1,072.12	$ 1,157.89	$ 1,250.53	$ 1,350.57	$ 1,458.61	$ 1,575.30
Arthur Non-Residential	$ 944.71	$ 1,020.29	$ 1,101.91	$ 1,190.06	$ 1,285.27	$ 1,388.09	$ 1,499.13	$ 1,619.06	$ 1,748.59	$ 1,888.48
Mount Forest Non-Residential	$ 944.71	$ 1,020.29	$ 1,101.91	$ 1,190.06	$ 1,285.27	$ 1,388.09	$ 1,499.13	$ 1,619.06	$ 1,748.59	$ 1,888.48

Projected Annual Revenue Generated from Wastewater Base Charges

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	$ 875,516	$ 974,495	$ 1,083,706	$ 1,204,155	$ 1,336,939	$ 1,467,052	$ 1,609,427	$ 1,765,193	$ 1,935,580	$ 2,121,933
Mount Forest Residential	$ 1,673,805	$ 1,867,285	$ 2,081,010	$ 2,316,980	$ 2,577,388	$ 2,855,368	$ 3,161,330	$ 3,497,972	$ 3,868,244	$ 4,275,372
Arthur Non-Residential	$ 102,029	$ 112,231	$ 123,414	$ 135,667	$ 149,091	$ 163,794	$ 179,896	$ 197,526	$ 216,825	$ 237,948
Mount Forest Non-Residential	$ 202,168	$ 222,422	$ 244,624	$ 268,954	$ 295,611	$ 324,812	$ 356,794	$ 391,814	$ 430,153	$ 472,119
Projected Wastewater Base Charge Revenues	**$ 2,853,517**	**$ 3,176,433**	**$ 3,532,754**	**$ 3,925,756**	**$ 4,359,029**	**$ 4,811,027**	**$ 5,307,447**	**$ 5,852,504**	**$ 6,450,802**	**7,107,372**

WASTEWATER UNIFORM RATE CALCULATION

Projected Annual Wastewater Billed Volume in Cubic Metres

Billed Volume	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,095	128,452	130,809	133,166	135,523	137,880	140,237	142,594	144,951	147,308
Projected Non-Residential Wastewater Volume	**284,395**	**289,683**	**294,971**	**300,260**	**305,548**	**310,837**	**316,125**	**321,413**	**326,702**	**331,990**

Projected Annual Wastewater Volumetric Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase %Increases	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Arthur Non-Residential	$ 2.88	$ 3.11	$ 3.36	$ 3.63	$ 3.92	$ 4.24	$ 4.58	$ 4.94	$ 5.34	$ 5.76
Mount Forest Non-Residential	$ 2.88	$ 3.11	$ 3.36	$ 3.63	$ 3.92	$ 4.24	$ 4.58	$ 4.94	$ 5.34	$ 5.76

Projected Annual Wastewater Volumetric Revenue

Revenues	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	$ 456,472	$ 502,119	$ 552,149	$ 606,969	$ 667,027	$ 732,810	$ 804,849	$ 883,724	$ 970,068	1,064,572
Mount Forest Non-Residential	$ 363,608	$ 400,037	$ 439,967	$ 483,726	$ 531,671	$ 584,191	$ 641,711	$ 704,696	$ 773,651	849,129
Projected Wastewater Volumetric Rate Revenues	**$ 820,081**	**$ 902,157**	**$ 992,116**	**$ 1,090,696**	**$ 1,198,698**	**$ 1,317,001**	**$ 1,446,560**	**$ 1,588,420**	**$ 1,743,720**	**1,913,701**

Total Wastewater User Revenues	**$ 3,673,598**	**$ 4,078,590**	**$ 4,524,870**	**$ 5,016,451**	**$ 5,557,727**	**$ 6,128,028**	**$ 6,754,007**	**$ 7,440,924**	**$ 8,194,521**	**$ 9,021,073**

Appendix K

Council Presentation – October 29, 2025

Water & Wastewater Rates and 2025 O. Reg 453/07 Water Financial Plan

Presentation to Council October 29, 2025

DFA Infrastructure International Inc

AGENDA

- Part 1 – Current Situation
- Part 2 – Full Cost Assessment
- Part 3 – Calculated Rates
- Part 4 – Wastewater Rate Mitigation Options
- Part 6 – O. Reg 453/07 Financial Plan 113-301A

Background

- Last W&WW user rate study - in 2020
- Since 2020 several studies have been updated. These feed into the W&WW rate study:
  - ✓2021 DC Study
  - ✓2025 State of the Infrastructure Report
  - ✓2024 Growth Management Action Plan
  - ✓Technical Studies for Arthur and Mount Forest (Current Draft)

Background

- The W&WW rate study includes:
  - ✓Determining the **full cost of service** for water and wastewater
  - ✓Projection of customer growth and consumption;
  - ✓Update current rates and charges commencing in 2026 – to recover the full costs;
  - ✓Update the Water System O.Reg 453/07 Financial Plan 113-301A;
  - ✓Prepare a similar Financial Plan for Wastewater

PART 1

Current Situation

Current Rate Structure

Category	Water 2025 Approved	Wastewater 2025 Approved
Residential Annual Base Charge	$593.26	$729.67
Non-Residential Annual Base Charge	$711.26	$874.73
Non-Residential Annual Meter Maintenance Fee	$220.80	N/A
Non-Residential Volumetric Rate (per m3)	$2.18	$2.67

Estimated 2025 Customers

System/Customer Type	Number of Customers (Water)	Number of Customers (Wastewater)
Arthur Residential	1,091	1,077
Mount Forest Residential	2,140	2,054
Arthur Non-Residential	106	106
Mount Forest Non-Residential	211	210
Total	**3,548**	**3,447**

Estimated 2025 Consumption

System/Customer Type	Water Volume (m^3)	Wastewater Volume (m^3)
Arthur Residential	N/A	N/A
Mount Forest Residential	N/A	N/A
Arthur Non-Residential	155,368	155,368
Mount Forest Non-Residential	124,381	123,738
Total	**279,749**	**279,106**

2026 (Draft) Water Budget

Description	2026
Salaries & Benefits Expenditures	854,065
Operating Expenditures	777,122
WN Rural WW	7,578
Sub Total Operating Expenditures	**1,638,765**
Capital-Related	
Transfer to Capital Budget	571,617
Transfer to Capital Reserves	835,198
Sub Total Capital Related Expenditures	**1,406,815**
Total Expenditures	**3,045,580**
Non-Rate Revenues	
WW - Meter & Backflow Fee	66,600
WW-Service Connection Fees	20,000
Total Operating Revenue	**86,600**
Net Water Costs to be Recovered From Users	**2,958,980**

Note: Provision for Transfer to Capital Reserve also includes projected surpluses from increases in customers, consumption and rates.

2026 (Draft) Wastewater Budget

Description	2026
Staff Expenditures	164,859
Operating Expenditures	415,517
Treatment Plant - Operating	1,355,541
Sub Total Operating Expenditures	**1,935,916**
Capital-Related	
Existing Debt (Principal) - Non-Growth Related	68,864
Existing Debt (Interest) - Non-Growth Related	15,924
Existing Debt (Principal) - Growth Related	390,231
Existing Debt (Interest) - Growth Related	90,234
Transfer to Capital Budget	1,036,670
Transfer to Capital Reserves	681,108
Sub Total Capital Related Expenditures	**2,283,031**
Total Expenditures	**4,218,947**
Non-Rate Revenues	
SS - Misc Revenue	40,000
SS-Service Connection Fees	25,000
Total-Non Rate Revenues	**65,000**
Operating Subsidies	
Contributions from Development Charges Reserve Fund	480,465
Total Operating Revenue	**545,465**
Net Wastewater Costs to be Recovered From Users	**3,673,482**

Note: Provision for Transfer to Capital Reserve also includes projected surpluses from increases in customers, consumption and rates.

PART 2

Full Cost Assessment

Study Approach

- Study period from 2026-2035 is considered, with proposed rates that ensures full cost recovery from customers.
- Full cost of services over the forecast period is developed from information provided by staff which includes, but not limited to:

  - ✓Draft projected capital needs;
  - ✓2026 draft operating budget;
  - ✓Reserve balances;
  - ✓Existing debt servicing; and
  - ✓Customer count and consumption levels.

Projected Capital Needs

- Capital projects considered are as contained in the draft 2026-2035 water and wastewater capital budget and forecast.
- Growth portion of projects are as contained in the 2021 Development Charges Study with updated estimates provided by staff.
- Additional capital asset replacement provisions are based on the lifecycle cost analysis contained in the Township's 2025 State of the Infrastructure Report.
  - ✓ Will ensure that sufficient annual capital funding is being provided from rates to address future annual capital lifecycle needs.
  - ✓ Were adjusted to reflect the asset management related project provisions already reflected in the Township's capital budget with additional capital provisions for climate change and emergency repairs.
  - ✓ Are averaged over the forecast period to avoid spikes in rates or the need for large amounts of non-growth-related long-term debt capital financing.

Projected Water Capital Needs

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Needs										
Replacement Capital Arthur	731,600	-	2,719,723	-	-	820,766	-	-	-	1,262,499
Replacement Capital Mount Forest	-	425,390	-	399,720	863,265	-	352,245	798,188	-	-
Water System Extension Arthur	-	-	-	-	4,377,385	-	-	-	-	-
Water System Extension Mount Forest	-	541,059	-	-	-	-	-	1,463,734	-	-
Vertical Water System Infrastructure-Arthur (Growth)	-	-	-	-	-	16,525,452	-	-	-	-
Vertical Water System Infrastructure-Mount Forest (Growth)	-	-	-	-	-	-	-	11,191,852	-	-
Asset Replacement and Rehabilitation Adjustment	309,112	318,385	327,937	337,775	347,908	358,346	369,096	380,169	391,574	403,321
Non-TCA Capital	-	-	-	67,913	19,696	-	-	-	78,730	22,834
Total Capital Expenditures	**1,040,712**	**1,284,834**	**3,047,660**	**805,408**	**5,608,255**	**17,704,564**	**721,341**	**13,833,943**	**1,068,219**	**1,688,653**
Capital Financing										
Development Charges	-	486,953	-	67,913	1,939,647	394,089	-	288,547	78,730	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	-	-	-	2,000,000	12,000,000	-	8,000,000	-	-
Operating Contributions (Capital From Current)	571,617	-	-	-	-	-	-	-	-	-
Water Capital Reserve	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Total Capital Financing	**1,040,712**	**1,284,834**	**3,047,660**	**805,408**	**5,608,255**	**17,704,564**	**721,341**	**13,833,943**	**1,068,219**	**1,688,653**

Projected Wastewater Capital Needs

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Needs										
Replacement Capital Arthur	1,217,810	117,225	755,159	124,363	128,094	931,836	135,895	139,972	144,171	928,751
Replacement Capital Mount Forest	278,571	701,503	295,536	693,959	1,154,851	322,940	332,628	342,607	1,202,888	768,604
Wastewater System Extension Arthur	-	-	-	-	2,760,310	-	-	-	-	-
Wastewater System Extension Mount Forest	-	514,794	-	-	-	-	-	680,120	-	-
Vertical Wastewater System Infrastructure-Arthur (Growth)	-	13,905,000	-	-	-	-	-	-	-	-
Vertical Wastewater System Infrastructure-Mount Forest (Growth)	-	1,483,200	-	-	-	-	-	-	-	-
Asset Replacement and Rehabilitation Adjustment	2,032,673	2,093,653	2,156,463	2,221,156	2,287,791	2,356,425	2,427,118	2,499,931	2,574,929	2,652,177
Non-TCA Capital	-	-	-	67,913	19,696	-	-	-	78,730	22,834
Total Capital Expenditures	**3,529,054**	**18,815,374**	**3,207,158**	**3,107,392**	**6,350,744**	**3,611,201**	**2,895,641**	**3,662,630**	**4,000,718**	**4,372,365**
Capital Financing										
Development Charges	-	9,071,976	-	67,913	2,274,485	-	-	442,078	78,730	-
Non-Growth Related Debenture Requirements	-	2,817,074	896,612	342,270	692,888	-	-	-	-	-
Growth Related Debenture Requirements	-	4,596,948	-	-	209,794	-	-	-	-	-
Operating Contributions (Capital From Current)	1,036,670	-	-	-	-	-	-	-	-	-
Wastewater Capital Reserve	2,492,384	2,329,376	2,310,546	2,697,209	3,173,576	3,611,201	2,895,641	3,220,552	3,921,988	4,372,365
Total Capital Financing	**3,529,054**	**18,815,374**	**3,207,158**	**3,107,392**	**6,350,744**	**3,611,201**	**2,895,641**	**3,662,630**	**4,000,718**	**4,372,365**

Projected Operating Expenditures

- 2026 draft operating budget is used as a baseline for projections of O&M costs (O&M costs are inflated at 2% annually).
- Debt servicing projections are based on current debt servicing, and new debt financing requirements as noted in the capital financing forecast.
- Transfers to capital reserves are based on required annual operating surpluses as generated by the increases in customers, consumption and rates.

Projected Water Operating Expenditures

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Salaries & Benefits Expenditures	854,065	871,147	888,570	906,341	924,468	942,957	961,816	981,053	1,000,674	1,020,687
Operating Expenditures	777,122	792,664	808,517	824,688	841,181	858,005	875,165	892,668	910,522	928,732
WN Rural WW	7,578	7,730	7,884	8,042	8,203	8,367	8,534	8,705	8,879	9,056
Sub Total Operating Expenditures	**1,638,765**	**1,671,540**	**1,704,971**	**1,739,070**	**1,773,852**	**1,809,329**	**1,845,515**	**1,882,426**	**1,920,074**	**1,958,476**
Capital-Related										
New Growth Related Debt (Principal)	-	-	-	-	-	38,743	272,555	282,094	446,938	462,581
New Growth Related Debt (Interest)	-	-	-	-	-	70,000	488,644	479,105	749,231	733,588
Transfer to Capital Reserves	835,198	1,516,958	1,630,944	1,748,883	1,870,886	$1,982,373	$2,097,570	$2,216,582	$2,339,515	$2,466,480
Sub Total Capital Related Expenditures	**1,406,815**	**1,516,958**	**1,630,944**	**1,748,883**	**1,870,886**	**2,091,115**	**2,858,768**	**2,977,780**	**3,535,685**	**3,662,649**
Total Expenditures	**3,045,580**	**3,188,498**	**3,335,915**	**3,487,953**	**3,644,738**	**3,900,444**	**4,704,284**	**4,860,206**	**5,455,759**	**5,621,125**
Non-Rate Revenues										
WW - Meter & Backflow Fee	66,600	67,932	69,291	70,676	72,090	73,532	75,002	76,502	78,033	79,593
WW-Service Connection Fees	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902
Total-Non Rate Revenues	**86,600**	**88,332**	**90,099**	**91,901**	**93,739**	**95,613**	**97,526**	**99,476**	**101,466**	**103,495**
Operating Subsidies										
Contributions from Development Charges Reserve Fund	-	-	-	-	-	108,743	761,199	761,199	1,196,169	1,196,169
Total Operating Revenue	**86,600**	**88,332**	**90,099**	**91,901**	**93,739**	**204,356**	**858,724**	**860,675**	1,297,635	1,299,664
Net Water Costs to be Recovered From Users	**2,958,980**	**3,100,166**	**3,245,816**	**3,396,052**	**3,551,000**	**3,696,088**	**3,845,559**	**3,999,531**	**4,158,124**	**4,321,460**

Projected Wastewater Operating Expenditures

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
O&M Expenditures	-	-	-	-	-	-	-	-	-	-
Staff Expenditures	164,859	168,156	171,519	174,950	178,449	182,017	185,658	189,371	193,158	197,022
Operating Expenditures	415,517	423,827	432,303	440,950	449,769	458,764	467,939	477,298	486,844	496,581
MF Treatment Plant - Operating	1,332,866	1,359,524	1,386,714	1,414,448	1,442,737	1,471,592	1,501,024	1,531,044	1,561,665	1,592,899
Sub Total Operating Expenditures	**1,913,242**	**1,951,507**	**1,990,537**	**2,030,347**	**2,070,954**	**2,112,373**	**2,154,621**	**2,197,713**	**2,241,668**	**2,286,501**
Capital-Related Expenditures										
Existing Debt (Principal) - Non-Growth Related	68,864	71,401	74,017	76,769	79,585	82,516	-	-	-	-
Existing Debt (Interest) - Non-Growth Related	15,924	13,387	10,771	8,019	5,203	2,272	-	-	-	-
Existing Debt (Principal) - Growth Related	390,231	404,604	419,429	435,025	450,979	467,590	-	-	-	-
Existing Debt (Interest) - Growth Related	90,234	75,861	61,036	45,440	29,486	12,875	-	-	-	-
New Non-Growth Related Debt (Principal)	-	-	72,407	106,394	123,015	152,960	159,311	165,683	172,310	179,203
New Non-Growth Related Debt (Interest)	-	-	86,246	120,382	130,855	155,741	149,900	143,527	136,900	130,008
New Growth Related Debt (Principal)	-	-	168,337	175,071	182,073	189,356	196,931	204,808	213,000	221,520
New Growth Related Debt (Interest)	-	-	200,510	193,777	186,774	179,491	171,917	164,039	155,847	147,327
Transfer to Capital Reserves	1,735,453	2,103,368	2,353,176	2,738,059	3,212,892	3,688,225	4,357,542	5,002,697	5,713,697	6,496,797
Sub Total Capital Related Expenditures	**2,300,705**	**2,668,622**	**3,445,929**	**3,898,935**	**4,400,862**	**4,931,026**	**5,035,599**	**5,680,755**	**6,391,755**	**7,174,855**
Total Expenditures	**4,213,947**	**4,620,128**	**5,436,466**	**5,929,282**	**6,471,816**	**7,043,399**	**7,190,220**	**7,878,468**	**8,633,422**	**9,461,356**
Operating Revenues										
Non-Rate Revenues	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706
Operating Subsidies	480,465	480,466	849,312	849,312	849,312	849,312	368,847	368,847	368,847	368,847
Total Operating Revenues	**540,465**	**541,666**	**911,736**	**912,984**	**914,258**	**915,557**	**436,417**	**437,768**	**439,147**	**440,553**
Net Wastewater Costs to be Recovered From Users	**3,673,482**	**4,078,463**	**4,524,730**	**5,016,298**	**5,557,558**	**6,127,842**	**6,753,803**	**7,440,700**	**8,194,276**	**9,020,803**

Projected Reserve Fund Balances

- Projections are provided for the water and wastewater:
  - ✓ Development Charges (DC) Reserve Funds; and
  - ✓ Capital Reserves Funds.

- The DC Reserve Funds are funded from the DC fees collected on new development. The balances in the DC reserves are used to pay for the growth-related portion of capital projects (and the servicing of growth-related debt)
- The balances in the Capital Reserve Funds are used in the funding of the non-growth share of capital projects. Transfers to capital reserves are based on annual operating surpluses as provided by the proposed rates

Development Charges Reserve Funds

Water Development Charges Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	2,191,632	2,726,411	2,790,816	3,371,833	3,914,146	2,568,394	2,589,349	2,361,306	1,847,601	1,106,579
Development Charge Proceeds	468,281	483,290	498,777	514,759	531,251	460,632	475,564	490,977	506,887	523,310
Transfer to Capital	-	486,953	-	67,913	1,939,647	394,089		288,547	78,730	
Transfer to Operating	-	-	-	-	-	108,743	761,199	761,199	1,196,169	1,196,169
Closing Balance	**2,659,913**	**2,722,747**	**3,289,593**	**3,818,679**	**2,505,750**	**2,526,194**	**2,303,714**	**1,802,538**	**1,079,589**	**433,719**
Interest	66,498	68,069	82,240	95,467	62,644	63,155	57,593	45,063	26,990	10,843
Closing Balance (with interest)	**2,726,411**	**2,790,816**	**3,371,833**	**3,914,146**	**2,568,394**	**2,589,349**	**2,361,306**	**1,847,601**	**1,106,579**	**444,562**

Wastewater Development Charges Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	6,898,859	8,062,030	-	734,318	1,464,588	-	586,345	1,723,066	2,479,613	3,673,379
Development Charge Proceeds	1,447,002	1,490,412	1,535,124	1,581,178	1,628,613	1,406,198	1,448,383	1,491,835	1,536,590	1,582,688
Transfer to Capital		9,071,976		67,913	2,274,485			442,078	78,730	
Transfer to Operating	480,465	480,466	818,716	818,716	818,716	834,153	353,688	353,688	353,688	353,688
Closing Balance	**7,865,396**	**-**	**716,408**	**1,428,866**	**-**	**572,044**	**1,681,040**	**2,419,135**	**3,583,785**	**4,902,379**
Interest	196,635	-	17,910	35,722	-	14,301	42,026	60,478	89,595	122,559
Closing Balance (with Interest)	**8,062,030**	**-**	**734,318**	**1,464,588**	**-**	**586,345**	**1,723,066**	**2,479,613**	**3,673,379**	**5,024,938**

Capital Reserve Fund Target Balances

- A target balance of between 3% and 5% of the future replacement value of capital infrastructure is recommended for the capital reserves by the end of the 2026-2035 forecast period to ensure the Township will be in a strong financial position to address future asset replacement needs beyond 2035.
- 2035 water capital reserve balance is projected at $7.0 million, or 5.0% of future water replacement value of the water capital infrastructure
- 2035 wastewater capital reserve balance is projected at $8.5 million, or 4.8% of future wastewater replacement value of the water capital infrastructure

Capital Reserve Funds

Water Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,440,757	8,002,031	8,939,136	7,710,480	8,939,915	9,370,747	6,193,711	7,759,188	4,541,133	6,038,438
Transfer to Capital	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Transfer to Operating										
Transfer from Operating Budget	835,198	1,516,958	1,630,944	1,748,883	1,870,886	1,982,373	2,097,570	2,216,582	2,339,515	2,466,480
Surplus/(Deficit)										
Closing Balance	**7,806,860**	**8,721,108**	**7,522,419**	**8,721,868**	**9,142,193**	**6,042,645**	**7,569,940**	**4,430,374**	**5,891,159**	**6,816,265**
Interest	195,171	218,028	188,060	218,047	228,555	151,066	189,248	110,759	147,279	170,407
Closing Balance (with interest)	**8,002,031**	**8,939,136**	**7,710,480**	**8,939,915**	**9,370,747**	**6,193,711**	**7,759,188**	**4,541,133**	**6,038,438**	**6,986,671**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Asset Replacement Value	$84,717,137	$87,745,605	$90,377,973	$93,157,225	$99,891,588	$115,282,425	$118,740,898	$130,591,672	$134,588,152	$138,625,796
Maximum Balance (5%)	$4,235,857	$4,387,280	$4,518,899	$4,657,861	$4,994,579	$5,764,121	$5,937,045	$6,529,584	$6,729,408	$6,931,290
Minimum Balance (3%)	$2,541,514	$2,632,368	$2,711,339	$2,794,717	$2,996,748	$3,458,473	$3,562,227	$3,917,750	$4,037,645	$4,158,774
Current Balance	**9.4%**	**10.2%**	**8.5%**	**9.6%**	**9.4%**	**5.4%**	**6.5%**	**3.5%**	**4.5%**	**5.0%**

Wastewater Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	1,219,646	1,000,000	1,000,000	1,000,000	1,000,000	1,042,202	2,505,081	4,332,373	6,214,735
Transfer to Capital	2,492,384	2,329,376	2,310,546	2,697,209	3,173,576	3,611,201	2,895,641	3,220,552	3,921,988	4,372,365
Transfer from Operating Budget	681,108	2,085,340	2,286,156	2,672,819	3,149,186	3,627,983	4,297,419	4,942,177	5,652,771	6,435,457
Closing Balance	**1,189,898**	**975,610**	**975,610**	**975,610**	**975,610**	**1,016,783**	**2,443,981**	**4,226,705**	**6,063,156**	**8,277,827**
Interest	29,747	24,390	24,390	24,390	24,390	25,420	61,100	105,668	151,579	206,946
Closing Balance (with Interest)	**1,219,646**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,042,202**	**2,505,081**	**4,332,373**	**6,214,735**	**8,484,772**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Asset Replacement Value	$118,487,921	$135,711,483	$139,782,827	$144,044,225	$150,849,831	$155,375,326	$160,036,586	$165,279,762	$170,316,884	$175,426,391
Maximum Balance (5%)	$5,924,396	$6,785,574	$6,989,141	$7,202,211	$7,542,492	$7,768,766	$8,001,829	$8,263,988	$8,515,844	$8,771,320
Minimum Balance (3%)	$3,554,638	$4,071,344	$4,193,485	$4,321,327	$4,525,495	$4,661,260	$4,801,098	$4,958,393	$5,109,507	$5,262,792
Current Balance	**1.0%**	**0.7%**	**0.7%**	**0.7%**	**0.7%**	**0.7%**	**1.6%**	**2.6%**	**3.6%**	**4.8%**

Projected Debt

- Debt projections are provided for the following water and wastewater:
  - ✓ Growth-Related Debt; and
  - ✓ Non-Growth-Related Debt.
- Growth-related debt is used in cash flowing the growth-related portion of capital projects when insufficient DC reserve balances exist.
- Annual servicing of the growth-related debt is recovered from future DC proceeds
- Non-growth-related debt is used in cash flowing the non-growth portion of capital projects when insufficient capital reserve balances exist.

Growth-Related Debt Projections

Water Growth-Related Debt

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	-	-	-	-	-	108,743	761,199	761,199	1,196,169	1,196,169
Total Annual Interest Expense	-	-	-	-	-	70,000	488,644	479,105	749,231	733,588
Total Annual Principal Repayments	-	-	-	-	-	38,743	272,555	282,094	446,938	462,581
New Debt Issues	-	-	-	-	2,000,000	12,000,000	-	8,000,000	-	-
Outstanding Water Growth-Related Debt	**-**	**-**	**-**	**-**	**2,000,000**	**13,961,257**	**13,688,703**	**21,406,609**	**20,959,671**	**20,497,090**

Wastewater Growth-Related Debt

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	480,465	480,466	818,716	818,716	818,716	834,153	353,688	353,688	353,688	353,688
Total Annual Interest Expense	90,234	75,861	244,914	223,143	200,767	185,869	165,766	158,249	150,432	142,301
Total Annual Principal Repayments	390,231	404,604	573,802	595,574	617,950	648,285	187,922	195,439	203,257	211,387
New Debt Issues	-	4,596,948	-	-	209,794	-	-	-	-	-
Outstanding Wastewater Growth-Related Debt	**2,177,628**	**6,369,972**	**5,796,169**	**5,200,596**	**4,792,440**	**4,144,155**	**3,956,233**	**3,760,794**	**3,557,537**	**3,346,150**

Non-Growth-Related Debt Projections

Water Non-Growth-Related Debt

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	-	-	-	-	-	-	-	-	-	-
Total Annual Interest Expense	-	-	-	-	-	-	-	-	-	-
Total Annual Principal Repayments	-	-	-	-	-	-	-	-	-	-
New Debt Issues	-	-	-	-	-	-	-	-	-	-
Outstanding Water Non-Growth-Related Debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Wastewater Non-Growth-Related Debt

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Annual Debt Charges	84,788	84,788	292,073	358,047	383,232	434,216	349,428	349,428	349,428	349,428
Total Annual Interest Expense	15,924	13,387	123,454	152,782	158,518	177,497	168,256	161,010	153,473	145,635
Total Annual Principal Repayments	68,864	71,401	168,619	205,265	224,715	256,720	181,172	188,419	195,955	203,794
New Debt Issues	-	2,817,074	896,612	342,270	692,888	-	-	-	-	-
Outstanding Wastewater Non-Growth-Related Debt	**384,287**	**3,129,961**	**3,857,953**	**3,994,958**	**4,463,131**	**4,206,412**	**4,025,240**	**3,836,821**	**3,640,866**	**3,437,072**

Customer and Consumption Growth

- 2025 customer and consumption estimates:
  - ✓ Based on the 2024 customer count and consumption levels provided by Wellington North Power Inc.
  - ✓ Adjusted for estimated 2025 customer and consumption growth.
- Projected growth in water and wastewater customers:
  - ✓ Based on the population and employment growth projections contained in the Township's 2024Growth Management Action Plan.
- These projections are used in the calculation of rates needed to recover the full cost of managing the water and wastewater systems.

Projected Annual Water Customers and Consumption

Projected Number of Water Accounts

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,125	1,159	1,193	1,227	1,261	1,281	1,301	1,321	1,341	1,361
Mount Forest Residential	2,210	2,280	2,350	2,420	2,490	2,552	2,614	2,676	2,738	2,800
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	215	219	223	227	231	235	239	243	247	251
Projected Water Customers	**3,658**	**3,768**	**3,878**	**3,988**	**4,098**	**4,186**	**4,274**	**4,362**	**4,450**	**4,538**

Projected Annual Water Consumption in Cubic Metres

Non-Residential Water Customers	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,739	129,097	131,455	133,812	136,170	138,528	140,886	143,244	145,602	147,960
Projected Non-Residential Water Consumption	**285,038**	**290,328**	**295,617**	**300,906**	**306,196**	**311,485**	**316,775**	**322,064**	**327,353**	**332,643**

Projected Annual Wastewater Customers and Billed Volumes

Projected Number of Wastewater Accounts

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,111	1,145	1,179	1,213	1,247	1,267	1,287	1,307	1,327	1,347
Mount Forest Residential	2,124	2,194	2,264	2,334	2,404	2,466	2,528	2,590	2,652	2,714
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	214	218	222	226	230	234	238	242	246	250
Projected Wastewater Customers	**3,557**	**3,667**	**3,777**	**3,887**	**3,997**	**4,085**	**4,173**	**4,261**	**4,349**	**4,437**

Projected Annual Wastewater Billed Volume in Cubic Metres

Billed Volume	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,095	128,452	130,809	133,166	135,523	137,880	140,237	142,594	144,951	147,308
Projected Non-Residential Wastewater Volume	**284,395**	**289,683**	**294,971**	**300,260**	**305,548**	**310,837**	**316,125**	**321,413**	**326,702**	**331,990**

PART 3

Calculated Rates

Calculated Rates

- Calculated rates are based on the recovery of the full cost of managing the water and wastewater systems and ensuring financial sustainability over the 2026-2035 forecast period

- Water rate increases are projected at 2% annually over the forecast period.

- Wastewater rate increases are projected at 8% annually over the forecast period.

  - ✓ The wastewater rate increases are mainly driven by the need for capital funding to address the additional capital asset replacement requirements.

Calculated Annual Water Rates and Revenues

Projected Annual Water Base Charges

Water Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Arthur Residential	$ 605.13	$ 617.23	$ 629.57	$ 642.16	$ 655.01	$ 668.11	$ 681.47	$ 695.10	$ 709.00	$ 723.18
Mount Forest Residential	$ 605.13	$ 617.23	$ 629.57	$ 642.16	$ 655.01	$ 668.11	$ 681.47	$ 695.10	$ 709.00	$ 723.18
Arthur Non-Residential	$ 725.49	$ 739.99	$ 754.79	$ 769.89	$ 785.29	$ 800.99	$ 817.01	$ 833.35	$ 850.02	$ 867.02
Mount Forest Non-Residential	$ 725.49	$ 739.99	$ 754.79	$ 769.89	$ 785.29	$ 800.99	$ 817.01	$ 833.35	$ 850.02	$ 867.02
Meter Maintenance Fee-Arthur	$ 225.22	$ 229.72	$ 234.31	$ 239.00	$ 243.78	$ 248.66	$ 253.63	$ 258.70	$ 263.88	$ 269.15
Meter Maintenance Fee-Mount Forest	$ 225.22	$ 229.72	$ 234.31	$ 239.00	$ 243.78	$ 248.66	$ 253.63	$ 258.70	$ 263.88	$ 269.15
Projected Water Base Charge Revenues	**$ 2,325,169**	**$ 2,441,682**	**$ 2,561,926**	**$ 2,686,003**	**$ 2,814,018**	**$ 2,931,381**	**$ 3,052,313**	**$ 3,176,910**	**$ 3,305,270**	**3,437,493**

Projected Annual Water Volumetric Rates

Revenues	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	$ 351,995	$ 365,683	$ 379,779	$ 394,292	$ 409,233	$ 424,615	$ 440,448	$ 456,744	$ 473,517	490,777
Mount Forest Non-Residential	$ 281,816	$ 292,800	$ 304,111	$ 315,758	$ 327,748	$ 340,092	$ 352,798	$ 365,877	$ 379,337	393,190
Projected Volumetric Water Rate Revenues	**$ 633,811**	**$ 658,484**	**$ 683,890**	**$ 710,049**	**$ 736,981**	**$ 764,707**	**$ 793,246**	**$ 822,621**	**$ 852,854**	**883,967**

Total Water User Revenues	**$ 2,958,980**	**$ 3,100,166**	**$ 3,245,816**	**$ 3,396,052**	**$ 3,551,000**	**$ 3,696,088**	**$ 3,845,559**	**$ 3,999,531**	**$ 4,158,124**	**4,321,460**

Calculated Annual Wastewater Rates and Revenues

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Arthur Residential	$ 788.04	$ 851.09	$ 919.17	$ 992.71	$ 1,072.12	$ 1,157.89	$ 1,250.53	$ 1,350.57	$ 1,458.61	$ 1,575.30
Mount Forest Residential	$ 788.04	$ 851.09	$ 919.17	$ 992.71	$ 1,072.12	$ 1,157.89	$ 1,250.53	$ 1,350.57	$ 1,458.61	$ 1,575.30
Arthur Non-Residential	$ 944.71	$ 1,020.29	$ 1,101.91	$ 1,190.06	$ 1,285.27	$ 1,388.09	$ 1,499.13	$ 1,619.06	$ 1,748.59	$ 1,888.48
Mount Forest Non-Residential	$ 944.17	$ 1,019.70	$ 1,101.28	$ 1,189.38	$ 1,284.53	$ 1,387.29	$ 1,498.28	$ 1,618.14	$ 1,747.59	$ 1,887.40
Projected Wastewater Base Charge Revenues	**$ 2,853,402**	**$ 3,176,306**	**$ 3,532,614**	**$ 3,925,602**	**$ 4,358,860**	**$ 4,810,841**	**$ 5,307,243**	**$ 5,852,280**	**$ 6,450,556**	**7,107,102**

Projected Annual Wastewater Volumetric Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Arthur Non-Residential	$ 2.88	$ 3.11	$ 3.36	$ 3.63	$ 3.92	$ 4.24	$ 4.58	$ 4.94	$ 5.34	$ 5.76
Mount Forest Non-Residential	$ 2.88	$ 3.11	$ 3.36	$ 3.63	$ 3.92	$ 4.24	$ 4.58	$ 4.94	$ 5.34	$ 5.76
Projected Wastewater Volumetric Rate Revenues	**$ 820,081**	**$ 902,157**	**$ 992,116**	**$ 1,090,696**	**$ 1,198,698**	**$ 1,317,001**	**$ 1,446,560**	**$ 1,588,420**	**$ 1,743,720**	**1,913,701**

Total Wastewater User Revenues	**$ 3,673,482**	**$ 4,078,463**	**$ 4,524,730**	**$ 5,016,298**	**$ 5,557,558**	**$ 6,127,842**	**$ 6,753,803**	**$ 7,440,700**	**$ 8,194,276**	**$ 9,020,803**

PART 4

Wastewater Rate Mitigation Options

Rate Mitigation Options

- Calculated Wastewater rates increase annually at 8% over the forecast period.
- Wastewater rate increases are mainly driven by the need for additional capital funding due to the capital asset replacement requirements as contained in the Township's 2025 State of the Infrastructure Report.
- The (Inflated) average annual additional capital asset replacement requirement is approximately $2.3 million.
- To mitigate the wastewater rate impact on customers two (2) Wastewater Rate Mitigation Options are presented where the additional capital asset replacement requirement is phased in over the forecast period.

Phasing In of The Additional Asset Replacement Requirement

- Phasing the additional wastewater capital asset replacement requirement over the forecast period would see:
  - ✓ The (Inflated) average annual additional capital asset replacement requirement be ***reduced from $2.3 million to $1.3 million***.
  - ✓ The proposed wastewater rate increases to be ***reduced from 8% annually to 4% annually under Wastewater Rate Mitigation Option #1, or 5% annually under Wastewater Rate Mitigation Option #2.***
  - ✓ Under both wastewater rate mitigation option, the need for long-term debt required to finance the non-growth wastewater capital program is eliminated

Proposed Annual Wastewater Rates and Charges (Phase-In Option #1)

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Mount Forest Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Arthur Non-Residential	$ 909.72	$ 946.11	$ 983.95	$ 1,023.31	$ 1,064.24	$ 1,106.81	$ 1,151.09	$ 1,197.13	$ 1,245.01	$ 1,294.81
Mount Forest Non-Residential	$ 909.20	$ 945.57	$ 983.39	$ 1,022.73	$ 1,063.63	$ 1,106.18	$ 1,150.43	$ 1,196.44	$ 1,244.30	$ 1,294.07
Projected Wastewater Base Charge Revenues	**$ 2,747,720**	**$ 2,945,381**	**$ 3,154,459**	**$ 3,375,550**	**$ 3,609,282**	**$ 3,835,999**	**$ 4,075,079**	**$ 4,327,148**	**$ 4,592,862**	**4,872,910**

Projected Annual Uniform Wastwater Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95
Mount Forest Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95
Projected Wastewater Volumetric Rate Revenues	**$ 789,707**	**$ 836,568**	**$ 885,913**	**$ 937,868**	**$ 992,562**	**$ 1,050,131**	**$ 1,110,717**	**$ 1,174,470**	**$ 1,241,546**	**1,312,109**

Total Wastewater User Revenues	**$ 3,537,427**	**$ 3,781,949**	**$ 4,040,373**	**$ 4,313,419**	**$ 4,601,844**	**$ 4,886,131**	**$ 5,185,797**	**$ 5,501,618**	**$ 5,834,408**	**6,185,019**

Proposed Annual Wastewater Rates and Charges (Phase-In Option #2)

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Arthur Residential	$ 766.15	$ 804.46	$ 844.68	$ 886.92	$ 931.26	$ 977.83	$ 1,026.72	$ 1,078.05	$ 1,131.96	$ 1,188.56
Mount Forest Residential	$ 766.15	$ 804.46	$ 844.68	$ 886.92	$ 931.26	$ 977.83	$ 1,026.72	$ 1,078.05	$ 1,131.96	$ 1,188.56
Arthur Non-Residential	$ 918.47	$ 964.39	$ 1,012.61	$ 1,063.24	$ 1,116.40	$ 1,172.22	$ 1,230.83	$ 1,292.37	$ 1,356.99	$ 1,424.84
Mount Forest Non-Residential	$ 917.94	$ 963.84	$ 1,012.03	$ 1,062.63	$ 1,115.76	$ 1,171.55	$ 1,230.13	$ 1,291.64	$ 1,356.22	$ 1,424.03
Projected Wastewater Base Charge Revenues	**$ 2,774,140**	**$ 3,002,296**	**$ 3,246,331**	**$ 3,507,264**	**$ 3,786,174**	**$ 4,062,696**	**$ 4,357,404**	**$ 4,671,426**	**$ 5,005,956**	**5,362,261**

Projected Annual Wastewater Volumetric Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Arthur Non-Residential	$ 2.80	$ 2.94	$ 3.09	$ 3.25	$ 3.41	$ 3.58	$ 3.76	$ 3.94	$ 4.14	$ 4.35
Mount Forest Non-Residential	$ 2.80	$ 2.94	$ 3.09	$ 3.25	$ 3.41	$ 3.58	$ 3.76	$ 3.94	$ 4.14	$ 4.35
Projected Wastewater Volumatric Rate Revenues	**$ 797,301**	**$ 852,733**	**$ 911,715**	**$ 974,464**	**$ 1,041,208**	**$ 1,112,191**	**$ 1,187,669**	**$ 1,267,914**	**$ 1,353,214**	**1,443,875**

Total Wastewater User Revenues	**$ 3,571,441**	**$ 3,855,028**	**$ 4,158,046**	**$ 4,481,728**	**$ 4,827,383**	**$ 5,174,886**	**$ 5,545,072**	**$ 5,939,339**	**$ 6,359,170**	**6,806,136**

Capital Reserve Fund Projections

Wastewater Reserve Fund - Option 1

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	2,955,330	1,304,440	1,656,287	2,247,520	2,067,289	2,187,717	3,176,529	3,903,699	3,978,574
Transfer to Capital	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Transfer from Operating Budget	545,053	1,788,822	2,009,083	2,243,200	2,491,917	2,735,700	3,078,841	3,352,524	3,642,332	3,949,101
Closing Balance	**2,883,249**	**1,272,625**	**1,615,890**	**2,192,702**	**2,016,867**	**2,134,358**	**3,099,053**	**3,808,487**	**3,881,536**	**3,555,310**
Interest	72,081	31,816	40,397	54,818	50,422	53,359	77,476	95,212	97,038	88,883
Closing Balance (with Interest)	**2,955,330**	**1,304,440**	**1,656,287**	**2,247,520**	**2,067,289**	**2,187,717**	**3,176,529**	**3,903,699**	**3,978,574**	**3,644,193**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Asset Replacement Value	118,487,921	135,711,483	139,782,827	144,044,225	150,849,831	155,375,326	160,036,586	165,279,762	170,316,884	175,426,391
Maximum Balance (5%)	5,924,396	6,785,574	6,989,141	7,202,211	7,542,492	7,768,766	8,001,829	8,263,988	8,515,844	8,771,320
Minimum Balance (3%)	3,554,638	4,071,344	4,193,485	4,321,327	4,525,495	4,661,260	4,801,098	4,958,393	5,109,507	5,262,792
Current Balance	**2.5%**	**1.0%**	**1.2%**	**1.6%**	**1.4%**	**1.4%**	**2.0%**	**2.4%**	**2.3%**	**2.1%**

Wastewater Reserve Fund - Option 2

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	2,990,194	1,415,087	1,890,315	2,659,915	2,721,171	3,153,921	4,535,145	5,744,944	6,403,732
Transfer to Capital	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Transfer from Operating Budget	579,067	1,861,906	2,126,757	2,411,509	2,717,455	3,024,456	3,438,117	3,790,245	4,167,094	4,570,218
Closing Balance	**2,917,263**	**1,380,572**	**1,844,210**	**2,595,039**	**2,654,801**	**3,076,996**	**4,424,532**	**5,604,824**	**6,247,543**	**6,601,585**
Interest	72,932	34,514	46,105	64,876	66,370	76,925	110,613	140,121	156,189	165,040
Closing Balance (with Interest)	**2,990,194**	**1,415,087**	**1,890,315**	**2,659,915**	**2,721,171**	**3,153,921**	**4,535,145**	**5,744,944**	**6,403,732**	**6,766,625**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Asset Replacement Value	118,487,921	135,711,483	139,782,827	144,044,225	150,849,831	155,375,326	160,036,586	165,279,762	170,316,884	175,426,391
Maximum Balance (5%)	5,924,396	6,785,574	6,989,141	7,202,211	7,542,492	7,768,766	8,001,829	8,263,988	8,515,844	8,771,320
Minimum Balance (3%)	3,554,638	4,071,344	4,193,485	4,321,327	4,525,495	4,661,260	4,801,098	4,958,393	5,109,507	5,262,792
Current Balance	**2.5%**	**1.0%**	**1.4%**	**1.8%**	**1.8%**	**2.0%**	**2.8%**	**3.5%**	**3.8%**	**3.9%**

Considerations of the Phase-In Option

- Under the Phasing-In Option #1:
  - ✓ the projected wastewater capital reserve balance at the end of the forecast period would be $3.6 million, or 2.1%. the future replacement value of the capital infrastructure

- Under the Phasing-In Option #2 :
  - ✓ the projected wastewater capital reserve balance at the end of the forecast period would be $6.8 million, or 3.9% the future replacement value of the capital infrastructure

As a target balance of between 3% and 5% of the future replacement value of the capital infrastructure is recommended for the capital reserves to ensure the Township will be in a strong financial position to address future asset replacement needs beyond 2035,

Option 2 is recommended.

Rate Study Recommendations

- That water rates be increased annually by 2% over the 2026-2035 forecast period
- That Wastewater Rate Mitigation Option #2 be approved where wastewater rates be increased annually by 5% over the 2026-2035 forecast period

PART 5

O.Reg 453/07 Financial Plan 113-301A

Drinking Water License Renewal

- O.Reg 188/07 requires Ontario municipalities to apply (or renew) for and obtain drinking water system licenses as part of their overall Drinking Water Quality Management System (DWQMS)
- Township's Drinking water license expires May 12, 2026, requiring an application for renewal by November 13, 2025
- One of the requirements for obtaining and renewing drinking water license is preparing a Sustainable Financial Plan (O. Reg. 453/07)

Water and Wastewater Financial Plan O.Reg. 453/07

- Water Financial Plan - Condition of Drinking Water License Renewal
- Council Approval required prior to submission (MMAH)
- Wastewater Financial Plan consider best practice and encouraged by Province

Water and Wastewater Financial Plan O.Reg. 453/07

- Financial Plans must include the following:
  - Statement of Financial Position
  - Statement of Cash Flow
  - Statement of Operations
- Covers 2026 to 2031 (i.e. min 6 years)
- The financial statements are prepared based on the recommendations contained in the water and wastewater rate study

Water O.Reg 453/07 Financial Plan

Water Statement of Financial Position

	2026	2027	2028	2029	2030	2031
Financial Assets						
Cash,Receivables and Investment	$10,728,442	$11,729,951	$11,082,313	$12,854,060	$11,939,141	$8,783,060
Total Financial Assets	$10,728,442	$11,729,951	$11,082,313	$12,854,060	$11,939,141	$8,783,060
Financial Liabilities						
Deferred Revenues	$2,726,411	$2,790,816	$3,371,833	$3,914,146	$2,568,394	$2,589,349
Long-term Liabilities	$0	$0	$0	$0	$2,000,000	$13,961,257
Total Financial Liabilities	$2,726,411	$2,790,816	$3,371,833	$3,914,146	$4,568,394	$16,550,606
Net Financial Assets (Net Debt)	$8,002,031	$8,939,136	$7,710,480	$8,939,915	$7,370,747	($7,767,546)
Non-Financial Assests						
Tangible Capital Assets	$30,033,977	$31,243,813	$33,371,249	$33,928,122	$39,572,461	$58,505,035
Accumulated Amortization	($11,112,014)	($11,508,017)	($11,070,108)	($11,404,135)	($12,012,813)	($14,006,492)
Total Non-Financial Assets	$18,921,963	$19,735,796	$22,301,141	$22,523,988	$27,559,648	$44,498,543
Accumulated Surplus	**$26,923,994**	**$28,674,932**	**$30,011,621**	**$31,463,902**	**$34,930,395**	**$36,730,997**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Net Financial Assets	$561,274	$937,105	($1,228,656)	$1,229,435	($1,569,167)	($15,138,294)
Increase (Decrease) in Tangible Capital Assets	$573,471	$813,833	$2,565,345	$222,847	$5,035,660	$16,938,895
Increase (Decrease) in Accumulated Surplus	$1,134,745	$1,750,938	$1,336,689	$1,452,282	$3,466,493	$1,800,602
Water Asset Consumption Ratio	37%	37%	33%	34%	30%	24%

Water Statement of Cash Flows

	2026	2027	2028	2029	2030	2031
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	$1,134,745	$1,750,938	$1,336,689	$1,452,282	$3,466,493	$1,800,602
Non-Cash Items						
Amortization	$467,241	$471,001	$482,315	$514,648	$552,898	$765,669
Earned Revenue	$0	($486,953)	$0	($67,913)	($1,939,647)	($502,832)
Net Change in Cash Provided by Operating Activities	$1,601,986	$1,734,986	$1,819,004	$1,899,016	$2,079,745	$2,063,439
Capital Activities						
Purchase of TCA	($1,040,712)	($1,284,834)	($3,047,660)	($737,495)	($5,588,559)	($17,704,564)
Net Change in Cash Used in Capital Activities	($1,040,712)	($1,284,834)	($3,047,660)	($737,495)	($5,588,559)	($17,704,564)
Financing Activities						
DC Collections	$534,779	$551,358	$581,017	$610,226	$593,895	$523,787
Proceeds From Long-Term Debt	$0	$0	$0	$0	$2,000,000	$12,000,000
Repayment of Long-Term Debt	$0	$0	$0	$0	$0	($38,743)
Net Change in Cash Used in Financing Activities	$534,779	$551,358	$581,017	$610,226	$2,593,895	$12,485,044
Net Change in Cash and Cash Equivalents	$1,096,053	$1,001,510	($647,639)	$1,771,748	($914,919)	($3,156,081)
Cash and Cash Equivalents, Beginning of the Year	$9,632,388	$10,728,442	$11,729,951	$11,082,313	$12,854,060	$11,939,141
Cash and Cash Equivalents, End of the Year	**$10,728,442**	**$11,729,951**	**$11,082,313**	**$12,854,060**	**$11,939,141**	**$8,783,060**

Water Statement of Operations

	2026	2027	2028	2029	2030	2031
Water Revenue						
Rate Revenue	$2,958,980	$3,100,166	$3,245,816	$3,396,052	$3,551,000	$3,696,088
Consumption Charge Revenue	$0	$0	$0	$0	$0	$0
Earned Revenue	$0	$486,953	$0	$67,913	$1,939,647	$502,832
Other Revenue	$281,771	$306,360	$278,159	$309,947	$322,293	$246,680
Total Revenues	**$3,240,751**	**$3,893,479**	**$3,523,975**	**$3,773,913**	**$5,812,940**	**$4,445,599**
Water Expenses						
Gross	$1,638,765	$1,671,540	$1,704,971	$1,739,070	$1,773,852	$1,809,329
Non-TCA Capital	$0	$0	$0	$67,913	$19,696	$0
Operating Expenses	$1,638,765	$1,671,540	$1,704,971	$1,806,983	$1,793,548	$1,809,329
Interest on Debt	$0	$0	$0	$0	$0	$70,000
Amortization	$467,241	$471,001	$482,315	$514,648	$552,898	$765,669
Total Expenses	**$2,106,006**	**$2,142,541**	**$2,187,286**	**$2,321,631**	**$2,346,447**	**$2,644,998**
Annual Surplus/(Deficit)	$1,134,745	$1,750,938	$1,336,689	$1,452,282	$3,466,493	$1,800,602
Accumulated Surplus/(Deficit), Beginning of Year	$25,789,249	$26,923,994	$28,674,932	$30,011,621	$31,463,902	$34,930,395
Accumulated Surplus/ (Deficit), End of Year	**$26,923,994**	**$28,674,932**	**$30,011,621**	**$31,463,902**	**$34,930,395**	**$36,730,997**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Total Revenues	($21,618)	$652,728	($369,504)	$249,937	$2,039,027	($1,367,341)
Increase (Decrease) in Total Expenses	$42,272	$36,535	$44,745	$134,345	$24,816	$298,551
Increase (Decrease) in Annual Surplus	($63,890)	$616,193	($414,249)	$115,593	$2,014,211	($1,665,892)
Water Operating Surplus Ratio	35.0%	45.0%	37.9%	38.5%	59.6%	40.5%

Wastewater Financial Plan

Wastewater Statement of Financial Position

	2026	2027	2028	2029	2030	2031
Financial Assets						
Cash,Receivables and Investment	$11,052,225	$1,415,087	$2,624,633	$4,124,503	$2,721,171	$3,740,266
Total Financial Assets	$11,052,225	$1,415,087	$2,624,633	$4,124,503	$2,721,171	$3,740,266
Financial Liabilities						
Deferred Liability (DC)	$8,062,030	$0	$734,318	$1,464,588	$0	$586,345
Long-term Liabilities	$2,561,915	$6,682,858	$6,035,039	$5,362,696	$4,874,956	$4,144,155
Total Financial Liabilities	$10,623,946	$6,682,858	$6,769,357	$6,827,284	$4,874,956	$4,730,500
Net Financial Assets (Net Debt)	$428,279	($5,267,771)	($4,144,724)	($2,702,781)	($2,153,785)	($990,235)
Non-Financial Assests						
Tangible Capital Assets	$52,786,950	$68,463,750	$69,685,788	$70,855,294	$75,829,151	$77,688,123
Accumulated Amortization	($18,378,646)	($18,044,296)	($18,878,816)	($19,678,077)	($20,849,668)	($21,483,240)
Total Non-Financial Assets	$34,408,303	$50,419,454	$50,806,972	$51,177,217	$54,979,483	$56,204,883
Accumulated Surplus	**$34,836,582**	**$45,151,683**	**$46,662,248**	**$48,474,436**	**$52,825,698**	**$55,214,648**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Net Financial Assets	$448,116	($5,696,050)	$1,123,047	$1,441,943	$548,996	$1,163,551
Increase (Decrease) in Tangible Capital Assets	$745,892	$16,011,151	$387,518	$370,245	$3,802,266	$1,225,399
Increase (Decrease) in Accumulated Surplus	$1,194,008	$10,315,101	$1,510,565	$1,812,188	$4,351,262	$2,388,950
Wastewater Asset Consumption Ratio	35%	26%	27%	28%	27%	28%

Wastewater Statement of Cash Flows

	2026	2027	2028	2029	2030	2031
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	$1,194,008	$10,315,100	$1,510,565	$1,812,188	$4,351,262	$2,388,950
Non-Cash Items						
Amortization	$953,756	$1,129,301	$1,310,116	$1,336,540	$1,384,886	$1,443,231
Earned Revenue	($480,465)	($9,552,442)	($818,716)	($886,629)	($3,093,201)	($834,153)
Net Change in Cash Provided by Operating Activitie	$1,667,299	$1,891,960	$2,001,965	$2,262,098	$2,642,947	$2,998,028
Capital Activities						
Purchase of TCA	($1,699,648)	($17,140,452)	($1,697,634)	($1,706,785)	($5,187,152)	($2,668,631)
Net Change in Cash Used in Capital Activities	($1,699,648)	($17,140,452)	($1,697,634)	($1,706,785)	($5,187,152)	($2,668,631)
Financing Activities						
DC Collections	$1,643,637	$1,490,412	$1,553,034	$1,616,899	$1,628,613	$1,420,499
Proceeds From Long-Term Debt	$0	$4,596,948	$0	$0	$209,794	$0
Repayment of Long-Term Debt	($459,095)	($476,005)	($647,819)	($672,343)	($697,534)	($730,801)
Net Change in Cash Used in Financing Activities	$1,184,541	$5,611,354	$905,215	$944,556	$1,140,873	$689,698
Net Change in Cash and Cash Equivalents	$1,152,192	($9,637,138)	$1,209,546	$1,499,870	($1,403,333)	$1,019,095
Cash and Cash Equivalents, Beginning of the Year	$9,900,033	$11,052,225	$1,415,087	$2,624,633	$4,124,503	$2,721,171
Cash and Cash Equivalents, End of the Year	**$11,052,225**	**$1,415,087**	**$2,624,633**	**$4,124,503**	**$2,721,171**	**$3,740,266**

Wastewater Statement of Operations

	2026	2027	2028	2029	2030	2031
Wastewater Revenue						
Rate Revenue	$3,571,441	$3,855,028	$4,158,046	$4,481,728	$4,827,383	$5,174,886
Earned Revenue	$480,465	$9,552,442	$818,716	$886,629	$3,093,201	$834,153
Interest Revenue	$137,932	$100,814	$113,731	$133,854	$136,728	$148,690
Total Revenues	**$4,189,837**	**$13,508,284**	**$5,090,494**	**$5,502,212**	**$8,057,312**	**$6,157,730**
Wastewater Expenses						
Gross	$1,935,916	$1,974,634	$2,014,127	$2,054,410	$2,095,498	$2,137,408
Non-TCA Capital	$0	$0	$0	$67,913	$19,696	$0
Operating Expenses	$1,935,916	$1,974,634	$2,014,127	$2,122,323	$2,115,194	$2,137,408
Interest on Debt	$106,157	$89,249	$255,685	$231,161	$205,970	$188,141
Amortization	$953,756	$1,129,301	$1,310,116	$1,336,540	$1,384,886	$1,443,231
Total Expenses	**$2,995,830**	**$3,193,184**	**$3,579,928**	**$3,690,024**	**$3,706,050**	**$3,768,780**
Annual Surplus/(Deficit)	$1,194,008	$10,315,100	$1,510,565	$1,812,188	$4,351,262	$2,388,950
Accumulated Surplus/(Deficit), Beginning of Year	$33,642,575	$34,836,582	$45,151,683	$46,662,248	$48,474,436	$52,825,698
Accumulated Surplus/ (Deficit), End of Year	**$34,836,582**	**$45,151,683**	**$46,662,248**	**$48,474,436**	**$52,825,698**	**$55,214,648**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Total Revenues	N/A	$9,318,447	($8,417,791)	$411,718	$2,555,100	($1,899,582)
Increase (Decrease) in Total Expenses	N/A	$197,354	$386,744	$110,095	$16,026	$62,730
Increase (Decrease) in Annual Surplus	N/A	$9,121,093	($8,804,535)	$301,623	$2,539,075	($1,962,312)
Wastewater Operating Surplus Ratio	N/A	76.4%	29.7%	32.9%	54.0%	38.8%

O. Reg 453/07 Water and Wastewater Financial Plan Recommendations

- That the Water System Financial Plan No. 113-301A be approved by Council and submitted to the Province of Ontario in accordance with the Drinking Water System License renewal requirements and O. Reg. 453/07

- That the Wastewater System Financial Plan including the Financial Statements contained herein be received by Council.

- That a copy of the Water Financial Plan No. 113-301A and the Wastewater Financial Plan be posted on the Township's website and made available to the public at no charge

Questions?

Appendix L

Council Presentation – November 17, 2025

Wastewater Rate Review

Presentation to Council November 17, 2025

DFA Infrastructure International Inc

October 29 Council Meeting

- At a Special Meeting of Council held on October 29th, 2025, proposed water and wastewater rates were presented

- Council approved the recommended annual 2% projected water rate increases as presented

- Council however deferred the approval of the recommended annual wastewater rate increases

October 29 Council Meeting

- Annual 8% wastewater rate increases were presented
- The 8% wastewater rate increases were mainly driven by the need for additional funding due to the capital asset replacement requirements as contained in the Township's 2025 State of the Infrastructure Report
- The (Inflated) average annual additional capital asset replacement requirement was approximately $2.3 million

Additional Asset Replacement Requirement

- The additional capital asset replacement requirement was based on the lifecycle cost analysis contained in the Township's 2025 State of the Infrastructure Report
  - ✓Would ensure that sufficient annual capital funding is being provided from rates to address future annual capital lifecycle needs
  - ✓Were adjusted to reflect the asset management related project provisions already reflected in the Township's capital budget
  - ✓Were averaged over the forecast period to avoid spikes in rates or the need for non-growth-related long-term debt

Phasing In of Asset Replacement Requirement

- To mitigate the wastewater rate impact on customers two (2) Wastewater Rate Mitigation Options were presented where the additional capital asset replacement requirement was phased in over the forecast period

- Phasing the additional wastewater capital asset replacement requirement over the forecast period would see the (Inflated) average annual additional capital asset replacement requirement be ***reduced from $2.3 million to $1.3 million***

Impact of Phasing In

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	Average
Required ARRA Funding	$2,032,673	$2,093,653	$2,156,463	$2,221,156	$2,287,791	$2,356,425	$2,427,118	$2,499,931	$2,574,929	$2,652,177	**$23,302,315**	**$ 2,330,232**
Budgeted ARRA Funding	$ 203,267	$ 418,731	$ 646,939	$ 888,463	$1,143,896	$1,413,855	$1,698,982	$1,999,945	$2,317,436	$2,652,177	**$13,383,690**	**$ 1,338,369**
ARRA Funding Gap	**$1,829,406**	**$1,674,922**	**$1,509,524**	**$1,332,694**	**$1,143,896**	**$ 942,570**	**$ 728,135**	**$ 499,986**	**$ 257,493**	**$ -**	**$ 9,918,625**	**$ 991,863**

ARRA - Asset Replacement and Rehabilitation Adjustment

- A $10.0 million ($1.0 million average annual) asset replacement funding gap over the 2026-2035 forecast period is created

- To address the funding gap senior levels of government should be approached to assist the Township with funding asset replacement needs

Wastewater Rate Mitigation Options

- The presented wastewater rate mitigation Option 1 saw wastewater rates increase annually at 5.0%
- The presented wastewater rate mitigation Option 2 saw wastewater rates increase annually at 4.0%
- A third wastewater rate mitigation option has been added in this presentation where wastewater rates would be increased annually at 3.75%

Proposed Annual Wastewater Rates and Charges (Phase-In Option #1)

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Arthur Residential	$ 766.15	$ 804.46	$ 844.68	$ 886.92	$ 931.26	$ 977.83	$ 1,026.72	$ 1,078.05	$ 1,131.96	$ 1,188.56
Mount Forest Residential	$ 766.15	$ 804.46	$ 844.68	$ 886.92	$ 931.26	$ 977.83	$ 1,026.72	$ 1,078.05	$ 1,131.96	$ 1,188.56
Arthur Non-Residential	$ 918.47	$ 964.39	$ 1,012.61	$ 1,063.24	$ 1,116.40	$ 1,172.22	$ 1,230.83	$ 1,292.37	$ 1,356.99	$ 1,424.84
Mount Forest Non-Residential	$ 917.94	$ 963.84	$ 1,012.03	$ 1,062.63	$ 1,115.76	$ 1,171.55	$ 1,230.13	$ 1,291.64	$ 1,356.22	$ 1,424.03
Projected Wastewater Base Charge Revenues	**$ 2,774,140**	**$ 3,002,296**	**$ 3,246,331**	**$ 3,507,264**	**$ 3,786,174**	**$ 4,062,696**	**$ 4,357,404**	**$ 4,671,426**	**$ 5,005,956**	**5,362,261**

Projected Annual Uniform Wastwater Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Arthur Non-Residential	$ 2.80	$ 2.94	$ 3.09	$ 3.25	$ 3.41	$ 3.58	$ 3.76	$ 3.94	$ 4.14	$ 4.35
Mount Forest Non-Residential	$ 2.80	$ 2.94	$ 3.09	$ 3.25	$ 3.41	$ 3.58	$ 3.76	$ 3.94	$ 4.14	$ 4.35
Projected Wastewater Volumetric Rate Revenues	**$ 797,301**	**$ 852,733**	**$ 911,715**	**$ 974,464**	**$ 1,041,208**	**$ 1,112,191**	**$ 1,187,669**	**$ 1,267,914**	**$ 1,353,214**	**1,443,875**

Total Wastewater User Revenues	**$ 3,571,441**	**$ 3,855,028**	**$ 4,158,046**	**$ 4,481,728**	**$ 4,827,383**	**$ 5,174,886**	**$ 5,545,072**	**$ 5,939,339**	**$ 6,359,170**	**6,806,136**

Proposed Annual Wastewater Rates and Charges (Phase-In Option #2)

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Mount Forest Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Arthur Non-Residential	$ 909.72	$ 946.11	$ 983.95	$ 1,023.31	$ 1,064.24	$ 1,106.81	$ 1,151.09	$ 1,197.13	$ 1,245.01	$ 1,294.81
Mount Forest Non-Residential	$ 909.20	$ 945.57	$ 983.39	$ 1,022.73	$ 1,063.63	$ 1,106.18	$ 1,150.43	$ 1,196.44	$ 1,244.30	$ 1,294.07
Projected Wastewater Base Charge Revenues	**$ 2,747,720**	**$ 2,945,381**	**$ 3,154,459**	**$ 3,375,550**	**$ 3,609,282**	**$ 3,835,999**	**$ 4,075,079**	**$ 4,327,148**	**$ 4,592,862**	**4,872,910**

Projected Annual Uniform Wastwater Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95
Mount Forest Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95
Projected Wastewater Volumetric Rate Revenues	**$ 789,707**	**$ 836,568**	**$ 885,913**	**$ 937,868**	**$ 992,562**	**$ 1,050,131**	**$ 1,110,717**	**$ 1,174,470**	**$ 1,241,546**	**1,312,109**

Total Wastewater User Revenues	**$ 3,537,427**	**$ 3,781,949**	**$ 4,040,373**	**$ 4,313,419**	**$ 4,601,844**	**$ 4,886,131**	**$ 5,185,797**	**$ 5,501,618**	**$ 5,834,408**	**6,185,019**

Proposed Annual Wastewater Rates and Charges (Phase-In Option #3)

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Arthur Residential	$ 757.03	$ 785.42	$ 814.87	$ 845.43	$ 877.14	$ 910.03	$ 944.15	$ 979.56	$ 1,016.29	$ 1,054.41
Mount Forest Residential	$ 757.03	$ 785.42	$ 814.87	$ 845.43	$ 877.14	$ 910.03	$ 944.15	$ 979.56	$ 1,016.29	$ 1,054.41
Arthur Non-Residential	$ 907.53	$ 941.56	$ 976.87	$ 1,013.51	$ 1,051.51	$ 1,090.94	$ 1,131.85	$ 1,174.30	$ 1,218.34	$ 1,264.02
Mount Forest Non-Residential	$ 907.01	$ 941.03	$ 976.32	$ 1,012.93	$ 1,050.91	$ 1,090.32	$ 1,131.21	$ 1,173.63	$ 1,217.64	$ 1,263.30
Projected Wastewater Base Charge Revenues	**$ 2,741,115**	**$ 2,931,238**	**$ 3,131,765**	**$ 3,343,210**	**$ 3,566,109**	**$ 3,781,004**	**$ 4,007,001**	**$ 4,244,630**	**$ 4,494,447**	**4,757,032**

Projected Annual Uniform Wastwater Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Arthur Non-Residential	$ 2.77	$ 2.87	$ 2.98	$ 3.09	$ 3.21	$ 3.33	$ 3.45	$ 3.58	$ 3.72	$ 3.86
Mount Forest Non-Residential	$ 2.77	$ 2.87	$ 2.98	$ 3.09	$ 3.21	$ 3.33	$ 3.45	$ 3.58	$ 3.72	$ 3.86
Projected Wastewater Volumetric Rate Revenues	**$ 787,809**	**$ 832,551**	**$ 879,540**	**$ 928,883**	**$ 980,690**	**$ 1,035,076**	**$ 1,092,162**	**$ 1,152,073**	**$ 1,214,943**	**1,280,907**

Total Wastewater User Revenues	**$ 3,528,924**	**$ 3,763,788**	**$ 4,011,305**	**$ 4,272,093**	**$ 4,546,799**	**$ 4,816,080**	**$ 5,099,162**	**$ 5,396,704**	**$ 5,709,390**	**6,037,939**

Projected Reserve Fund Balances

- Projections are also provided for the water and wastewater reserve funds for the 2026-2035 forecast period under the three Wastewater Rate Options

- The reserves balances are compared to the future replacement values of the Township's water and wastewater capital infrastructure

Projected Reserve Fund Balances

- A balance of between 3% and 5% of the future replacement value of capital infrastructure is targeted for the capital reserves by the end of the 2026-2035 forecast period to place the Township in a strong financial position to address future asset replacement needs beyond 2035.

- At the October 29 Special Council meeting, it was suggested that the water and wastewater reserves should be considered together when looking at achieving target balances

Projected Reserve Fund Balances

- Projections are provided under the three wastewater rate options for the combination of the water and wastewater reserves

- It should be noted the water and wastewater are governed separately, therefore using funds from the water reserve to support wastewater would be tantamount to the Township loaning funds from water to wastewater (with those funds having to be repaid in future years)

Reserve Funds – 5.00% Wastewater Increase

Water Reserve Fund - 2.00% Water Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,440,757	8,002,031	8,939,136	7,710,480	8,939,915	9,370,747	6,193,711	7,759,188	4,541,133	6,038,438
Transfer to Capital	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Transfer from Operating Budget	835,198	1,516,958	1,630,944	1,748,883	1,870,886	1,982,373	2,097,570	2,216,582	2,339,515	2,466,480
Interest	195,171	218,028	188,060	218,047	228,555	151,066	189,248	110,759	147,279	170,407
Closing Balance (with interest)	**8,002,031**	**8,939,136**	**7,710,480**	**8,939,915**	**9,370,747**	**6,193,711**	**7,759,188**	**4,541,133**	**6,038,438**	**6,986,671**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Asset Replacement Value	$84,717,137	$87,745,605	$90,377,973	$93,157,225	$99,891,588	$115,282,425	$118,740,898	$130,591,672	$134,588,152	$138,625,796
Current Balance	**9.4%**	**10.2%**	**8.5%**	**9.6%**	**9.4%**	**5.4%**	**6.5%**	**3.5%**	**4.5%**	**5.0%**

Wastewater Reserve Fund - 5.00% Wastewater Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	2,990,194	1,415,087	1,890,315	2,659,915	2,721,171	3,153,921	4,535,145	5,744,944	6,403,732
Transfer to Capital	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Transfer from Operating Budget	579,067	1,861,906	2,126,757	2,411,509	2,717,455	3,024,456	3,438,117	3,790,245	4,167,094	4,570,218
Interest	72,932	34,514	46,105	64,876	66,370	76,925	110,613	140,121	156,189	165,040
Closing Balance (with Interest)	**2,990,194**	**1,415,087**	**1,890,315**	**2,659,915**	**2,721,171**	**3,153,921**	**4,535,145**	**5,744,944**	**6,403,732**	**6,766,625**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Asset Replacement Value	$118,487,921	$135,711,483	$139,782,827	$144,044,225	$150,849,831	$155,375,326	$160,036,586	$165,279,762	$170,316,884	$175,426,391
Current Balance	**2.5%**	**1.0%**	**1.4%**	**1.8%**	**1.8%**	**2.0%**	**2.8%**	**3.5%**	**3.8%**	**3.9%**

Combined Water and Wastewater Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	10,441,931	10,992,225	10,354,222	9,600,795	11,599,829	12,091,918	9,347,632	12,294,333	10,286,078	12,442,170
Transfer to Capital	1,132,074	4,269,409	4,745,294	2,444,279	4,391,177	7,979,105	2,888,847	8,265,962	4,653,984	6,061,018
Transfer from Operating Budget	1,414,265	3,378,864	3,757,701	4,160,391	4,588,341	5,006,828	5,535,686	6,006,826	6,506,609	7,036,698
Interest	268,103	252,542	234,166	282,923	294,925	227,991	299,862	250,880	303,468	335,446
Closing Balance (with Interest)	**10,992,225**	**10,354,222**	**9,600,795**	**11,599,829**	**12,091,918**	**9,347,632**	**12,294,333**	**10,286,078**	**12,442,170**	**13,753,296**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Combined Asset Replacement Value	$203,205,059	$223,457,087	$230,160,800	$237,201,450	$250,741,419	$270,657,751	$278,777,484	$295,871,434	$304,905,036	$314,052,187
Current Balance	**5.4%**	**4.6%**	**4.2%**	**4.9%**	**4.8%**	**3.5%**	**4.4%**	**3.5%**	**4.1%**	**4.4%**

Reserve Funds – 4.00% Wastewater Increase

Water Reserve Fund - 2.00% Water Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,440,757	8,002,031	8,939,136	7,710,480	8,939,915	9,370,747	6,193,711	7,759,188	4,541,133	6,038,438
Transfer to Capital	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Transfer from Operating Budget	835,198	1,516,958	1,630,944	1,748,883	1,870,886	1,982,373	2,097,570	2,216,582	2,339,515	2,466,480
Interest	195,171	218,028	188,060	218,047	228,555	151,066	189,248	110,759	147,279	170,407
Closing Balance (with interest)	**8,002,031**	**8,939,136**	**7,710,480**	**8,939,915**	**9,370,747**	**6,193,711**	**7,759,188**	**4,541,133**	**6,038,438**	**6,986,671**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Asset Replacement Value	$84,717,137	$87,745,605	$90,377,973	$93,157,225	$99,891,588	$115,282,425	$118,740,898	$130,591,672	$134,588,152	$138,625,796
Current Balance	**9.4%**	**10.2%**	**8.5%**	**9.6%**	**9.4%**	**5.4%**	**6.5%**	**3.5%**	**4.5%**	**5.0%**

Wastewater Reserve Fund - 4.00% Wastewater Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	2,955,330	1,304,440	1,656,287	2,247,519	2,067,289	2,187,717	3,176,529	3,903,699	3,978,574
Transfer to Capital	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Transfer from Operating Budget	545,053	1,788,822	2,009,083	2,243,200	2,491,917	2,735,700	3,078,841	3,352,524	3,642,332	3,949,101
Interest	72,081	31,816	40,397	54,818	50,422	53,359	77,476	95,212	97,038	88,883
Closing Balance (with Interest)	**2,955,330**	**1,304,440**	**1,656,287**	**2,247,519**	**2,067,289**	**2,187,717**	**3,176,529**	**3,903,699**	**3,978,574**	**3,644,193**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Asset Replacement Value	$118,487,921	$135,711,483	$139,782,827	$144,044,225	$150,849,831	$155,375,326	$160,036,586	$165,279,762	$170,316,884	$175,426,391
Current Balance	**2.5%**	**1.0%**	**1.2%**	**1.6%**	**1.4%**	**1.4%**	**2.0%**	**2.4%**	**2.3%**	**2.1%**

Combined Water and Wastewater Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	10,441,931	10,957,361	10,243,575	9,366,767	11,187,434	11,438,036	8,381,428	10,935,717	8,444,832	10,017,012
Transfer to Capital	1,132,074	4,269,409	4,745,294	2,444,279	4,391,177	7,979,105	2,888,847	8,265,962	4,653,984	6,061,018
Transfer from Operating Budget	1,380,252	3,305,780	3,640,027	3,992,082	4,362,803	4,718,072	5,176,411	5,569,105	5,981,847	6,415,581
Interest	267,253	249,843	228,458	272,864	278,976	204,425	266,725	205,972	244,317	259,289
Closing Balance (with Interest)	**10,957,361**	**10,243,575**	**9,366,767**	**11,187,434**	**11,438,036**	**8,381,428**	**10,935,717**	**8,444,832**	**10,017,012**	**10,630,864**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Combined Asset Replacement Value	$203,205,059	$223,457,087	$230,160,800	$237,201,450	$250,741,419	$270,657,751	$278,777,484	$295,871,434	$304,905,036	$314,052,187
Current Balance	**5.4%**	**4.6%**	**4.1%**	**4.7%**	**4.6%**	**3.1%**	**3.9%**	**2.9%**	**3.3%**	**3.4%**

Reserve Funds – 3.75% Wastewater Increase

Water Reserve Fund - 2.00% Water Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,440,757	8,002,031	8,939,136	7,710,480	8,939,915	9,370,747	6,193,711	7,759,188	4,541,133	6,038,438
Transfer to Capital	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Transfer from Operating Budget	835,198	1,516,958	1,630,944	1,748,883	1,870,886	1,982,373	2,097,570	2,216,582	2,339,515	2,466,480
Interest	195,171	218,028	188,060	218,047	228,555	151,066	189,248	110,759	147,279	170,407
Closing Balance (with interest)	**8,002,031**	**8,939,136**	**376,121**	**8,939,915**	**9,370,747**	**6,193,711**	**7,759,188**	**4,541,133**	**6,038,438**	**6,986,671**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Asset Replacement Value	$84,717,137	$87,745,605	$90,377,973	$93,157,225	$99,891,588	$115,282,425	$118,740,898	$130,591,672	$134,588,152	$138,625,796
Current Balance	**9.4%**	**10.2%**	**8.5%**	**9.6%**	**9.4%**	**5.4%**	**6.5%**	**3.5%**	**4.5%**	**5.0%**

Wastewater Reserve Fund - 3.75% Wastewater Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	2,946,614	1,276,896	1,598,260	2,145,683	1,906,485	1,951,091	2,845,187	3,456,536	3,392,088
Transfer to Capital	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Transfer from Operating Budget	536,550	1,770,666	1,980,016	2,201,874	2,436,871	2,665,649	2,992,207	3,247,609	3,517,314	3,802,021
Interest	71,869	31,144	38,982	52,334	46,500	47,588	69,395	84,306	82,734	70,544
Closing Balance (with Interest)	**2,946,614**	**1,276,896**	**1,598,260**	**2,145,683**	**1,906,485**	**1,951,091**	**2,845,187**	**3,456,536**	**3,392,088**	**2,892,288**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Asset Replacement Value	$118,487,921	$135,711,483	$139,782,827	$144,044,225	$150,849,831	$155,375,326	$160,036,586	$165,279,762	$170,316,884	$175,426,391
Current Balance	**2.5%**	**0.9%**	**1.1%**	**1.5%**	**1.3%**	**1.3%**	**1.8%**	**2.1%**	**2.0%**	**1.6%**

Combined Water and Wastewater Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	10,441,931	10,948,645	10,216,031	9,308,740	11,085,598	11,277,232	8,144,802	10,604,375	7,997,669	9,430,527
Transfer to Capital	1,132,074	4,269,409	4,745,294	2,444,279	4,391,177	7,979,105	2,888,847	8,265,962	4,653,984	6,061,018
Transfer from Operating Budget	1,371,748	3,287,624	3,610,960	3,950,756	4,307,758	4,648,022	5,089,777	5,464,191	5,856,829	6,268,500
Interest	267,040	249,171	227,042	270,380	275,054	198,654	258,643	195,065	230,013	240,950
Closing Balance (with Interest)	**10,948,645**	**10,216,031**	**1,974,381**	**11,085,598**	**11,277,232**	**8,144,802**	**10,604,375**	**7,997,669**	**9,430,527**	**9,878,959**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Combined Asset Replacement Value	$203,205,059	$223,457,087	$230,160,800	$237,201,450	$250,741,419	$270,657,751	$278,777,484	$295,871,434	$304,905,036	$314,052,187
Current Balance	**5.4%**	**4.6%**	**0.9%**	**4.7%**	**4.5%**	**3.0%**	**3.8%**	**2.7%**	**3.1%**	**3.1%**

Summary of Wastewater Rate Mitigation Options Reserve Fund Balance Projection

Options	Projected Rate Increases	Water Reserve Fund		Wastewater Reserve Fund		Combined Reserve Funds	
		Million $	% of Asset Value	Million $	% of Asset Value	Million $	% of Asset Value
Option 1	2.00% Water - 5.00% Wastewater	$7.0	5.0%	$6.8	3.9%	$13.8	4.4%
Option 2	2.00% Water - 4.00% Wastewater	$7.0	5.0%	$3.6	2.1%	$10.6	3.4%
Option 3	2.00% Water - 3.75% Wastewater	$7.0	5.0%	$2.9	1.6%	$9.9	3.1%

Summary of Residential Customer Impacts

Option 1 – Residential Customer Impact

Residential Customer	Current 2025	Proposed 2026	$ Increase	Percent Increase
Residential Water (Base)	$ 593.26	$ 605.13	$ 11.87	2.00%
Residential Wastewater (Base)	$ 758.86	$ 796.80	$ 37.94	5.00%
Blended Residential	$ 1,352.12	$ 1,401.92	$ 49.81	**3.68%**

Option 2 – Residential Customer Impact

Residential Customer	Current 2025	Proposed 2026	$ Increase	Percent Increase
Residential Water (Base)	$ 593.26	$ 605.13	$ 11.87	2.00%
Residential Wastewater (Base)	$ 758.86	$ 789.21	$ 30.35	4.00%
Blended Residential	$ 1,352.12	$ 1,394.34	$ 42.22	**3.12%**

Option 3 – Residential Customer Impact

Residential Customer	Current 2025	Proposed 2026	$ Increase	Percent Increase
Residential Water (Base)	$ 593.26	$ 605.13	$ 11.87	2.00%
Residential Wastewater (Base)	$ 758.86	$ 787.31	$ 28.46	3.75%
Blended Residential	$ 1,352.12	$ 1,392.44	$ 40.32	**2.98%**

Municipal Comparison

RESIDENTIAL CUSTOMER (200 Cubic Metres per Year)					
MUNICIPALITY	ANNUAL WATER COSTS		ANNUAL WASTEWATER COSTS		TOTAL ANNUAL COSTS
	Base & Fixed Costs	Volumetric Cost	Base & Fixed Costs	Volumetric Cost	Annual Cost ($)
Wellington North (Opton 1)	**$605**	**$0**	**$797**	**$0**	**$1,402**
Wellington North (Opton 2)	**$605**	**$0**	**$789**	**$0**	**$1,394**
Wellington North (Opton 3)	**$605**	**$0**	**$787**	**$0**	**$1,392**
Wellington North (Current Rates)	**$593**	**$0**	**$759**	**$0**	**$1,352**
Erin (Metered)	$214	$810	$1,000	$0	**$2,024**
Erin (Non-Metered)	$494	$0	$1,000	$0	**$1,494**
Centre Wellington (Metered)	$146	$512	$174	$618	**$1,449**
Centre Wellington (Non-Metered)	$817	$0	$984	$0	**$1,801**
Mapleton	$586	$450	$586	$426	**$2,049**
Southgate	$262	$412	$324	$450	**$1,448**
Grey Highlands	$966	$240	$895	$138	**$2,240**
South Huron	$447	$123	$551	$121	**$1,242**
South Bruce	$566	$480	$733	$726	**$2,506**
Shelburne	$345	$216	$462	$298	**$1,321**
Average					**$1,651**

Questions?

Appendix M

2026 – 2035 Wastewater Rate Increase Mitigation Option #1 Rates and Revenues

APPENDIX M: Projected 2026 – 2035 Wastewater Rate Increase Mitigation Option 1 Rates and Revenues

WASTEWATER BASE RATE CALCULATION

Projected Number of Wastewater Accounts

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	1,111	1,145	1,179	1,213	1,247	1,267	1,287	1,307	1,327	1,347
Mount Forest Residential	2,124	2,194	2,264	2,334	2,404	2,466	2,528	2,590	2,652	2,714
Arthur Non-Residential	108	110	112	114	116	118	120	122	124	126
Mount Forest Non-Residential	214	218	222	226	230	234	238	242	246	250
Total	**3,557**	**3,667**	**3,777**	**3,887**	**3,997**	**4,085**	**4,173**	**4,261**	**4,349**	**4,437**

Projected Annual Wastewater Base Charges

Wastewater Base Charges	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Mount Forest Residential	$ 758.86	$ 789.21	$ 820.78	$ 853.61	$ 887.76	$ 923.27	$ 960.20	$ 998.60	$ 1,038.55	$ 1,080.09
Arthur Non-Residential	$ 909.72	$ 946.11	$ 983.95	$ 1,023.31	$ 1,064.24	$ 1,106.81	$ 1,151.09	$ 1,197.13	$ 1,245.01	$ 1,294.81
Mount Forest Non-Residential	$ 909.72	$ 946.11	$ 983.95	$ 1,023.31	$ 1,064.24	$ 1,106.81	$ 1,151.09	$ 1,197.13	$ 1,245.01	$ 1,294.81

Projected Annual Revenue Generated from Wastewater Base Charges

Customer Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Residential	$ 843,090	$ 903,647	$ 967,699	$ 1,035,430	$ 1,107,031	$ 1,169,777	$ 1,235,772	$ 1,305,175	$ 1,378,153	$ 1,454,881
Mount Forest Residential	$ 1,611,812	$ 1,731,529	$ 1,858,245	$ 1,992,327	$ 2,134,163	$ 2,276,772	$ 2,427,375	$ 2,586,384	$ 2,754,229	$ 2,931,364
Arthur Non-Residential	$ 98,250	$ 104,072	$ 110,203	$ 116,657	$ 123,452	$ 130,604	$ 138,130	$ 146,050	$ 154,382	$ 163,147
Mount Forest Non-Residential	$ 194,680	$ 206,252	$ 218,437	$ 231,268	$ 244,776	$ 258,994	$ 273,958	$ 289,705	$ 306,273	$ 323,704
Projected Wastewater Base Charge Revenues	**$ 2,747,831**	**$ 2,945,499**	**$ 3,154,584**	**$ 3,375,683**	**$ 3,609,422**	**$ 3,836,147**	**$ 4,075,236**	**$ 4,327,314**	**$ 4,593,037**	**4,873,095**

WASTEWATER UNIFORM RATE CALCULATION

Projected Annual Wastewater Billed Volume in Cubic Metres

Billed Volume	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Residential										
Arthur Non-Residential	158,299	161,231	164,162	167,094	170,025	172,957	175,888	178,820	181,751	184,683
Mount Forest Non-Residential	126,095	128,452	130,809	133,166	135,523	137,880	140,237	142,594	144,951	147,308
Projected Annual Billed Volume	**284,395**	**289,683**	**294,971**	**300,260**	**305,548**	**310,837**	**316,125**	**321,413**	**326,702**	**331,990**

Projected Annual Uniform Wastwater Rates

Wastewater Volumetric Rates	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Increase % Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Arthur Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95
Mount Forest Non-Residential	$ 2.78	$ 2.89	$ 3.00	$ 3.12	$ 3.25	$ 3.38	$ 3.51	$ 3.65	$ 3.80	$ 3.95

Projected Annual Wastewater Volumetric Rates

Revenues	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Arthur Non-Residential	$ 439,566	$ 465,614	$ 493,043	$ 521,921	$ 552,321	$ 584,318	$ 617,990	$ 653,421	$ 690,699	729,912
Mount Forest Non-Residential	$ 350,141	$ 370,953	$ 392,870	$ 415,947	$ 440,241	$ 465,814	$ 492,727	$ 521,049	$ 550,848	582,197
Projected Wastewater Volumetric Rate Revenues	**$ 789,707**	**$ 836,568**	**$ 885,913**	**$ 937,868**	**$ 992,562**	**$ 1,050,131**	**$ 1,110,717**	**$ 1,174,470**	**$ 1,241,546**	**1,312,109**

Total Wastewater User Revenues	**$ 3,537,539**	**$ 3,782,067**	**$ 4,040,497**	**$ 4,313,551**	**$ 4,601,984**	**$ 4,886,279**	**$ 5,185,953**	**$ 5,501,784**	**$ 5,834,583**	**6,185,204**

Appendix N

2026 – 2035 Wastewater Rate Increase Mitigation Option #1 Capital Need Forecast

Appendix N: 2026 – 2035 Wastewater Rate Increase Mitigation Option #2 Capital Need Forecast

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
-										
Replacement Capital Arthur	-	-	-	-	-	-	-	-	-	-
Clark- from Domville to Smith	1,104,000	-	-	-	-	-	-	-	-	-
Adelaide-From Clarke to Connestoga	-	-	634,418	-	-	-	-	-	-	-
Conestoga-From Domvile to 100m South of Walton	-	-	-	-	-	799,899	-	-	-	-
Edward-From Frederick to Charles	-	-	-	-	-	-	-	-	-	780,254
OCWA Capital Expenditures-Arthur	113,810	117,225	120,741	124,363	128,094	131,937	135,895	139,972	144,171	148,496
-	-	-	-	-	-	-	-	-	-	-
Replacement Capital Mount Forest	-	-	-	-	-	-	-	-	-	-
Fergus-From Birmingham to Durham	-	414,575	-	-	-	-	-	-	-	-
Durham-From Main to Fergus	-	-	-	389,557	-	-	-	-	-	-
Fergus-From Durham to Sligo	-	-	-	-	841,318	-	-	-	-	-
King-From Fergus to East of Egremont	-	-	-	-	-	-	-	-	850,003	-
Newfoundland-From king to Wellington	-	-	-	-	-	-	-	-	-	405,132
OCWA Capital Expenditures-Mount Forest	278,571	286,928	295,536	304,402	313,534	322,940	332,628	342,607	352,885	363,471
-	-	-	-	-	-	-	-	-	-	-
Wastewater System Extension Arthur	-	-	-	-	-	-	-	-	-	-
Wells-From Rail Trail to Mc Cauley	-	-	-	-	1,164,902	-	-	-	-	-
McCauley-From Wells to Eliza	-	-	-	-	1,595,409	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Wastewater System Extension Mount Forest	-	-	-	-	-	-	-	-	-	-
South Water-From Dead End to Bristol	-	514,794	-	-	-	-	-	-	-	-
Industrial-From Ex. Dead End to Coral Lea	-	-	-	-	-	-	-	206,619	-	-
Coral Lea-Industrial to New E.T. Site	-	-	-	-	-	-	-	473,501	-	-
-	-	-	-	-	-	-	-	-	-	-
Vertical Wastewater System Infrastructure-Arthur (Growth)	-	-	-	-	-	-	-	-	-	-
AWWTP Phase 2	-	13,905,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Vertical Wastewater System Infrastructure-Mount Forest (Growth)	-	-	-	-	-	-	-	-	-	-
South Water SPS	-	1,483,200	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Asset Replacement and Rehabilitation Adjustment	203,267	418,731	646,939	888,463	1,143,896	1,413,855	1,698,982	1,999,945	2,317,436	2,652,177
-	-	-	-	-	-	-	-	-	-	-
Non-TCA Capital	-	-	-	-	-	-	-	-	-	-
Water and Sewer Rate Study and Financial Plan	-	-	-	-	19,696	-	-	-	-	22,834
Master Servicing Plan Technical Update (Arthur)	-	-	-	33,956	-	-	-	-	39,365	-
Master Servicing Plan Technical Update (Mount Forest)	-	-	-	33,956	-	-	-	-	39,365	-
Total Capital Expenditures	**1,699,648**	**17,140,452**	**1,697,634**	**1,774,698**	**5,206,848**	**2,668,631**	**2,167,506**	**3,162,644**	**3,743,225**	**4,372,365**
Capital Financing										
Provincial/Federal Grants (Investing in Ontario)										-
Development Charges	-	9,071,976	-	67,913	2,274,485	-	-	442,078	78,730	-
Non-Growth Related Debenture Requirements	-	-	-	-	-	-	-	-	-	-
Growth Related Debenture Requirements	-	4,596,948	-	-	209,794	-	-	-	-	-
Operating Contributions (Capital From Current)	1,036,670	-	-	-	-	-	-	-	-	-
Wastewater Capital Reserve	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Total Capital Financing	**1,699,648**	**17,140,452**	**1,697,634**	**1,774,698**	**5,206,848**	**2,668,631**	**2,167,506**	**3,162,644**	**3,743,225**	**4,372,365**

Appendix O

2026– 2035 Water and Wastewater Reserve Fund Projections - Mitigation Option 1

APPENDIX O: 2026 – 2035 Water and Wastewater Reserve Fund Projections - Mitigation Options 1

Water Reserve Fund - 2.00% Water Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	7,440,757	8,002,031	8,939,136	7,710,480	8,939,915	9,370,747	6,193,711	7,759,188	4,541,133	6,038,438
Transfer to Capital	469,095	797,881	3,047,660	737,495	1,668,608	5,310,475	721,341	5,545,396	989,489	1,688,653
Transfer from Operating Budget	835,198	1,516,958	1,630,944	1,748,883	1,870,886	1,982,373	2,097,570	2,216,582	2,339,515	2,466,480
Interest	195,171	218,028	188,060	218,047	228,555	151,066	189,248	110,759	147,279	170,407
Closing Balance (with interest)	**8,002,031**	**8,939,136**	**7,710,480**	**8,939,915**	**9,370,747**	**6,193,711**	**7,759,188**	**4,541,133**	**6,038,438**	**6,986,671**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Asset Replacement Value	$84,717,137	$87,745,605	$90,377,973	$93,157,225	$99,891,588	$115,282,425	$118,740,898	$130,591,672	$134,588,152	$138,625,796
Current Balance	**9.4%**	**10.2%**	**8.5%**	**9.6%**	**9.4%**	**5.4%**	**6.5%**	**3.5%**	**4.5%**	**5.0%**

Wastewater Reserve Fund - 4.00% Wastewater Rate Increases

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	3,001,174	2,955,444	1,304,682	1,656,663	2,248,040	2,067,966	2,188,562	3,177,556	3,904,922	3,980,007
Transfer to Capital	662,978	3,471,528	1,697,634	1,706,785	2,722,569	2,668,631	2,167,506	2,720,566	3,664,495	4,372,365
Transfer from Operating Budget	545,164	1,788,944	2,009,208	2,243,332	2,492,057	2,735,848	3,078,998	3,352,690	3,642,507	3,949,286
Interest	72,084	31,822	40,406	54,830	50,438	53,380	77,501	95,242	97,073	88,923
Closing Balance (with Interest)	**2,955,444**	**1,304,682**	**1,656,663**	**2,248,040**	**2,067,966**	**2,188,562**	**3,177,556**	**3,904,922**	**3,980,007**	**3,645,852**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Asset Replacement Value	$118,487,921	$135,711,483	$139,782,827	$144,044,225	$150,849,831	$155,375,326	$160,036,586	$165,279,762	$170,316,884	$175,426,391
Current Balance	**2.5%**	**1.0%**	**1.2%**	**1.6%**	**1.4%**	**1.4%**	**2.0%**	**2.4%**	**2.3%**	**2.1%**

Combined Water and Wastewater Reserve Fund

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	10,441,931	10,957,475	10,243,817	9,367,143	11,187,954	11,438,713	8,382,274	10,936,745	8,446,056	10,018,446
Transfer to Capital	1,132,074	4,269,409	4,745,294	2,444,279	4,391,177	7,979,105	2,888,847	8,265,962	4,653,984	6,061,018
Transfer from Operating Budget	1,380,363	3,305,902	3,640,152	3,992,214	4,362,943	4,718,220	5,176,568	5,569,271	5,982,022	6,415,766
Interest	267,255	249,849	228,467	272,877	278,993	204,446	266,750	206,001	244,352	259,330
Closing Balance (with Interest)	**10,957,475**	**10,243,817**	**9,367,143**	**11,187,954**	**11,438,713**	**8,382,274**	**10,936,745**	**8,446,056**	**10,018,446**	**10,632,523**

Reserve Targets	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Combined Asset Replacement Value	$203,205,059	$223,457,087	$230,160,800	$237,201,450	$250,741,419	$270,657,751	$278,777,484	$295,871,434	$304,905,036	$314,052,187
Current Balance	**5.4%**	**4.6%**	**4.1%**	**4.7%**	**4.6%**	**3.1%**	**3.9%**	**2.9%**	**3.3%**	**3.4%**

Appendix P

Discussion on Metering Residential Customers

1 Residential Customers Metering

There are currently no meters installed at residential properties to facilitate metering and charging based on consumption. The Township has a flat fee instead of a volumetric rate for the residential sector. Most municipalities across Canada include residential consumption metering as a fundamental component of their respective rate structures along with fixed charges based on the size of the water meter. This approach to rate setting is consistent with the American Water Works Association (AWWA) guidelines and considered the industry best practice for effective and sustainable system management. The Township's current rate structure for the non-residential sector is generally aligned with industry practices but would need to be revisited as part of the overall rate structure should the Township decide to implement residential water meters.

1.1 Typical Rate Structures

The typical rate structures used by municipalities in Ontario include a fixed charge based on the size of the meter plus a consumption rate that is set depending on each municipality's unique circumstances and objectives. The ***most common rate structure includes a meter charge that increases with the size of the meter relative to the size of the residential meter*** (typically 5/8" or 3/4"). The residential meter is assigned a "meter ratio" of 1. The charge for the residential meter is established first and the respective "meter ratios" are multiplied by the residential charge to obtain the charge for the larger meters. The AWWA recommends certain meter ratios but some municipalities use a variation to suit their needs. The higher charges for the larger meters are mainly due to the capacities of larger meters that allow more water to be taken from the system by those customers.

The ***most common consumption rate is the uniform rate.*** This rate remains the same regardless of consumption and customer type. It is calculated by dividing the cost to be recovered from the volumetric rate by the total volume consumed annually. The combination of the fixed charge and uniform rate structure provides a good basis to balance revenue security from the fixed charges with the consumption revenues while offering a reasonable incentive to conserve. The rate structures for wastewater are similar but with different meter charges and volumetric rates based on the cost of service for wastewater. The wastewater volumetric rates are applied to water consumption because wastewater is not typically metered. Other types of volumetric rate structures include the following:

- ***Declining Block.*** The volumetric charge *decreases* with water consumption and is sometimes used to give high water users and economic benefit e.g. in a small municipality with a single large industry.
- ***Inclining Block.*** The volumetric charge *increases* with water consumption and is intended to promote water conservation. Two (2) or more "consumption block" thresholds may be set to trigger the higher rate for each block. This rate structure is used to promote water conservation;
- ***Seasonal Charge.*** A higher volumetric rate is applied during the peak water demand season (e.g. summer) to reduce demand. The regular rate is applied during other periods.

1.2 Benefits of Residential Metering

There are several benefits to residential metering some of which are summarized in Table 1-1. These include improving fairness and providing the information necessary for financial sustainability and effective system management

Table 1-1: Benefits of Residential Metering

Benefits	Description
Water Conservation and Behavioural Change	• **Usage Awareness:** Metering creates a direct link between consumption and cost, encouraging households to reduce usage. Estimates suggest that metered homes use 15–30% less water than flat-rate customers once customers become accustomed to the metering regime. • **Environmental Impact**: Helps municipalities meet sustainability targets and reduce energy use tied to water pumping and treatment
Enables Fair and Equitable Billing	• **User-Pay Principle**: Customers pay based on actual usage, promoting fairness across households by minimizing cross subsidization among households • **Supports Income-Based Policy Modelling**: Enables tiered or budget-based rate structures that can be aligned with income thresholds or household size to improve affordability for low income customers
Leak Detection and Infrastructure Efficiency	• **Early Leak Detection**: Smart meters can provide real-time usage data, enabling municipalities to respond proactively to anomalies in usage thereby reducing water loss and potentially costly repairs. • **Demand Management**: Metering supports demand forecasting and peak demand reduction, easing pressure on infrastructure and treatment systems especially in areas with growth pressures and system capacity limitations. • **Asset Management**: Meter data supports infrastructure planning for maintenance and upgrades based on consumption patterns.
Supports Financial Sustainability	• **Improved Forecasting**: Metered data enhances financial modelling for capital planning reserve policies and debt financing. It enables granular segmentation by meter size customer class and seasonal pattern to support benchmarking and scenario analyses • **Rate Design Flexibility**: Enables municipalities to model the impacts of implementing different rate structures that reflect cost-of-service, revenue stability and conservation goals.

Benefits	Description
Aligns with Provincial and Federal Policy Goals	• **Supports Government Policy:** Federal and Provincial water conservation frameworks and municipal planning policies encourage metering as a best practice. Metering supports the work required to meet Provincial drinking water financial and asset management regulatory requirements
Customer Empowerment	• **Transparency:** Residents gain access to detailed consumption data, fostering trust and accountability. • **Incentivizes Efficiency:** Can be paired with rebates or education programs to promote water-saving technologies

1.3 Challenges of Implementing Residential Metering

Implementing residential metering has many challenges as summarized in Table 1-2. These include metering costs, additional capacity to handle meter reads and billing, logistical hurdles in the field and addressing customer opposition.

Table 1-2: Challenges of Implementing Residential Metering

Challenges	Description
Capital and Installation Costs	• **Infrastructure Investment:** Installing meters across all residential units requires significant upfront capital investments. Costs include meters, installation, meter reading components and retrofits to facilitate proper installation especially in older homes. Advanced Metering Infrastructure (AMI) referred to as Smart Meters may cost between $400 and $600 depending on its remote read capability. • **Retrofit Complexity:** Meter installations typically require piping configurations that support accurate meter readings. Retrofitting homes without existing plumbing access points can be labour-intensive and costly.
Administrative and Operational Costs	• **Data Management:** Sufficient capacity is required to read meters handle large volumes of consumption data. Upgrades to billing systems and customer service platforms are typically required. **Maintenance:** Meters require periodic calibration repair and replacement which add to operational costs.
Customer Resistance and Equity Concerns	• **Public Perception:** Some residents may view metering as a rate hike, especially having paid flat rates. • **Affordability:** Without income-sensitive rate structures, metering can disproportionately impact low-income households.

Challenges	Description
	• **High Water Use Needs:** Those with high essential water needs (e.g., medical conditions, large families) may also be disproportionately affected.
Technical and Logistical Barriers	• **Multi-Unit Buildings:** Sub-metering individual units in apartments or condos can be complex due to shared plumbing systems and is not typically done. The onus would be on the property owner or representative to take steps to fairly allocate the billing. • **Retrofits:** Retrofits required to accommodate the new meters can delay rollout.
Policy and Regulatory Alignment	• **Municipal Coordination:** Aligning metering with local bylaws, reserve policies, and rate-setting frameworks requires cross-departmental collaboration. • **Privacy and Security:** Smart meters raise concerns about data privacy and cyber-security, especially with real-time monitoring systems. Data security and clear policies on data access and use are required.
Behavioural and Cultural Shifts	• **Usage Habits:** Residents accustomed to unlimited water may struggle to adapt to conservation-oriented billing**.** • **Education Needs:** Effective rollout depends on public education campaigns to explain benefits, billing changes, and conservation tips.

1.4 Framework for Implementing Residential Water Metering

The general framework to implement residential water metering may include the following:

- Developing an implementation strategy that considers the items noted in Table 1-3.
- Undertaking a cost-benefit analysis tailored to local demographics and infrastructure.
- Begin with a pilot smart metering project in select neighborhoods to test technology and refine customer engagement prior to roll out.
- Align metering with public education, leak repair incentives, and affordability programs.
- Use meter data to inform reserve policy, debt financing capital planning, and conservation targets.
- Establish processes and capacity for meter reading data management billing and handling customer enquiries and monitoring performance and costs over time.

Table 1-3: Implementation Framework for Residential Metering

Activity	Description
Policy Alignment and Feasibility Assessment	• **Review Provincial Standards:** Ontario's Advanced Metering Infrastructure (AMI) specification outlines minimum functionality for smart meters, including hourly reads and secure data transmission. This would provide a solid baseline for the AMI requirements • **Conduct a Feasibility Study:** Assess infrastructure readiness, property characteristics (e.g., single vs. multi-unit) and any area specific constraints ✓ research available meter types, requirements, pros, cons and costs ✓ Identify the best area for the pilot program based on the feasibility assessment
Stakeholder Engagement and Public Education	• **Community Consultation**: Engage residents early to build trust and address concerns about cost, privacy, and fairness. • **Education Campaigns**: Use workshops, mailers, and online tools to explain how metering supports conservation, equity, and infrastructure planning. Effective communication and phased rollouts are essential to build trust and understanding
Pilot Program Deployment	• **Targeted Rollout:** Begin with a representative sample of neighborhoods to test metering technologies, billing systems, and customer response. • **Evaluate and Refine:** Monitor usage patterns, leak detection rates, and customer feedback to adjust strategy before full-scale deployment.
Technology Selection and Procurement	• **Smart Metering Infrastructure**: Choose AMI systems that support remote reads, real-time alerts, and integration with billing platforms. • **Vendor Partnerships**: Work with experienced providers to ensure reliability and scalability.
Rate Structure and Affordability Planning	• **Design Equitable Rates:** Consider rate structures to promote conservation while protecting low-income households. • **Subsidy Programs:** Offer rebates or phased billing transitions to ease financial impact, especially for vulnerable populations.
Organizational Capacity Building	• **Work Flows:** Develop workflows and roles and responsibilities to undertake and manage the meter reads and billing • **Capacity:** Ensure sufficient staff and technological capacity to process the data and billing

Activity	Description
	• **Budget**: Develop budget requirements to support the additional needs such as meter reading, maintenance, testing and replacement
Full Rollout and Performance Monitoring	• **Phased Expansion:** Scale up based on lessons from pilot areas, prioritizing high-consumption zones or aging infrastructure. • **Ongoing Analytics:** Use metering data to inform reserve policy, capital planning, and customer segmentation by meter size.

Appendix Q

2025 O.Reg Water System Financial Plan
No. 113-301A

Township of Wellington North

2025 O.Reg 453/07 Water System Financial Plan No. 113-301A

DFA Infrastructure International Inc.

October 24, 2025

DFA Infrastructure International Inc.

33 Raymond Street St. Catharines Ontario Canada L2R 2T3

Telephone: (905) 938 -0965 Fax: (905) 937-6568

October 24, 2025

Jerry Idialu, MBA, CPA
Director of Finance/Treasurer
Township of Wellington North
7490 Sideroad 7 W
Kenilworth, Ontario
N0G 2E0

Re: 2025 O.Reg 453/07 Water System Financial Plan No. 113-301A

Dear Jerry:

We are pleased to submit to you the above noted report entitled: "2025 O. Reg 453/07 Water System Financial Plan No. 113-301A". Please note, these financial plans are based on the recommendations contained of the Township's water and wastewater rate study.

Yours truly,

DFA Infrastructure International Inc.
Derek Ali, MBA, P.Eng.
President

Table of Contents

Appendices

Tables

1 Introduction

1.1 Background

Regulation 188/07 under the Safe Drinking Water Act requires Ontario municipalities to apply for and obtain Drinking Water System Licences as part of their overall DWQMS. One of the requirements of holding a valid drinking water licence is preparing and submitting to the Province an updated financial plan in accordance with O.Reg. 453/07. The financial plan must include financial statements on the following:

- The proposed or projected financial position of the drinking water systems;
- The proposed or projected gross cash receipts and gross cash payments;
- The proposed or projected financial operations of the drinking water system; and
- Details on the extent to which the above information applies to the replacement of lead service pipes, if applicable.

Appendix A lists each requirement of the regulation and references the respective financial statements and other relevant information required under each regulatory requirement. The financial plan must apply to a period of at least six (6) years with the first year being the year the existing license expires. In the Township's case an updated Water System Financial Plan is required for the period 2026 to 2031.

It is important to note that the water system financial plan is based on the recommendations contained in the Township's water and wastewater rate study.

Upon Council's approval, the financial plan will be made available to the public at no charge and posted on the Township's website. The plans will also be submitted to the Province as part of the Township's drinking water license renewal application.

2 O.Reg 453/07 Water System Financial Plan No. 113-301A

This section presents an updated water system financial plan as defined in O.Reg. 453/07, thereby allowing the Township to fulfil its obligations under the drinking water licensing regulations for the renewal of its drinking water systems license. The number for the updated financial plan is 113-301A

2.1 Water Tangible Capital Assets (TCA) Analysis

As noted in the introduction the results of the draft 2025 Water and Wastewater Rate Study are used as the basis for preparing the water system financial plan. The Township's Tangible Capital Asset inventories were also used in the preparation of the water system financial plan. The amortization of the tangible capital assets is shown as a "non-cash" annual cost that reflects the annual "use" of assets until the end of their respective useful lives. Allowances are made to finance the replacement and/ or rehabilitation of the existing assets once they

"expire" and can no longer play a role in providing the required drinking water service to customers. It should be noted however that since amortization is based on the original (historical) cost at the time the asset was placed in service it does not account for inflation since the year of installation. Therefore, basing asset replacement costs on amortization alone is not sufficient to cover the future replacement needs.

The TCA projections contained in the Township's water system financial plan are based on the following assumptions:

- Amortization of existing assets is based on the Township's Tangible Capital Assets Policies and Procedures. Amortization of new infrastructure investments is based on straight line depreciation with half year depreciation charged in the year of acquisition;
- Historical costs, life expectancy and remaining useful life are as identified in the TCA data provided by the Township;
- Fully depreciated assets continue to be used in service i.e. no asset removals; and
- New assets to be acquired are based on the capital forecast derived from the recommendations contained in the draft Township's water and wastewater rate study. The forecast includes projects in the Township's Draft 2026 Capital Budget and Forecast, 2021 Development Charges Study and asset management replacement and rehabilitation provisions, as determined from the recommendations contained in the Township's 2025 State of the Infrastructure Report

Water Asset Value

The water system is comprised of the following asset classes:

- Wells and Storage;
- Watermains; and
- Equipment and Vehicles

Table 2-1 shows the estimated capital asset value based on historical cost and accumulated amortization to 2025. This is reflected as the net book value (NBV) i.e. the "accounting" value and indicates that the water system as a whole is approximately 39% depreciated or has approximately 61% remaining life based on the TCA data. This suggests that the water system assets are relatively new.

Table 2-1: Water – Asset Amortization and Book Value (NBV)

2025 Water Asset Details			
Historical Cost	**$**	**27,762,209**	**100%**
Accumulated Amortization	**$**	**10,782,834**	**39%**
Net Book Value	**$**	**16,979,376**	**61%**

2.2 Water Financial Statements

This financial plan involves the review, analysis and assessment of financial information contained in the draft rate study including costs, revenues, debt, cash transactions and Tangible Capital Assets (TCA) to prepare the following three (3) financial statements covering the period 2026 – 2031 as required under O.Reg 453/07:

- Statement of Financial Position;
- Statement of Operations; and
- Statement of Cash Flow

2.2.1 Water - Statement of Financial Position

The Statement of Financial Position is presented in Table 2-2. This statement summarizes the Township's water-related financial and non-financial assets i.e. Tangible Capital Assets (TCA) and liabilities and provides the net financial asset (or net debt) position and accumulated surplus related to managing the water system. The financial assets are primarily cash balances in the water reserve funds. Liabilities consist of the water deferred revenues and long-term debt. The non-financial assets (TCA) include the Township's water infrastructure. The historical costs are amortized over the asset life to arrive at the net book value each year from 2026 to 2031. New assets are added in the years acquired, developed or built. Contributed assets are primarily new infrastructure and facilities that would be transferred to the Township's ownership and control by developers as they are completed. However this is assumed to be zero. It is also assumed that other non-financial assets such as inventory and prepaid expenses are zero.

Contained within the Statement of Financial Position are important indicators, the first being net financial assets (or net debt) which is defined as the difference between financial assets and liabilities. This indicator provides a measure of the water system's "future revenue requirement". Table 2-2 indicates that in 2026, the Township's water system will be in a financial asset position of $8.0 million. This will decrease to a net debt position of $7.8 million by 2031. The net debt position indicates that additional financial resources will be required to fund future operations. The trend to the net debt position is due to a significant increase of long-term debt and a decrease of cash balances, slightly offset by a reduction in deferred revenues.

The next important indicator contained in the Statement of Financial Position is the net book value of TCA. Table 2-2 shows that net TCA are expected to increase over the forecast period by about $25.6 million. This indicates that the Township has plans to invest in tangible capital assets greater than the consumption of existing assets. Further, a consumption ratio consisting of the accumulated amortization of the Township's TCA as a percent of historical cost ratio highlights the aged condition of the assets and their potential replacement needs. The Township's Water Asset Consumption Ratio decreases over the forecast period from 37% to 24%, suggesting that the water system would be less than a quarter through its life expectancy by 2031. As this percentage is decreasing over time, it indicates the Township is allocating adequate funds to finance the replacement or rehabilitation of aging assets as they expire, and to provide for system expansion.

Another important indicator in the Statement of Financial Position is the accumulated surplus. This indicator provides a measure of the resources available to the Township for managing its water system. The accumulated

surplus is projected to increase from approximately $27.5 million in 2026 to approximately $35.1 million by 2031. The 2031 accumulated surplus consists of non-financial assets that are made up of the net TCA balance representing past investments in water infrastructure, offset by the net debt balance.

Table 2-2: Water – Statement of Financial Position

	2026	2027	2028	2029	2030	2031
Financial Assets						
Cash,Receivables and Investment	$10,728,442	$11,729,951	$11,082,313	$12,854,060	$11,939,141	$8,783,060
Total Financial Assets	$10,728,442	$11,729,951	$11,082,313	$12,854,060	$11,939,141	$8,783,060
Financial Liabilities						
Deferred Revenues	$2,726,411	$2,790,816	$3,371,833	$3,914,146	$2,568,394	$2,589,349
Long-term Liabilities	$0	$0	$0	$0	$2,000,000	$13,961,257
Total Financial Liabilities	$2,726,411	$2,790,816	$3,371,833	$3,914,146	$4,568,394	$16,550,606
Net Financial Assets (Net Debt)	$8,002,031	$8,939,136	$7,710,480	$8,939,915	$7,370,747	($7,767,546)
Non-Financial Assests						
Tangible Capital Assets	$30,033,977	$31,243,813	$33,371,249	$33,928,122	$39,572,461	$58,505,035
Accumulated Amortization	($11,112,014)	($11,508,017)	($11,070,108)	($11,404,135)	($12,012,813)	($14,006,492)
Total Non-Financial Assets	$18,921,963	$19,735,796	$22,301,141	$22,523,988	$27,559,648	$44,498,543
Accumulated Surplus	**$26,923,994**	**$28,674,932**	**$30,011,621**	**$31,463,902**	**$34,930,395**	**$36,730,997**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Net Financial Assets	$561,274	$937,105	($1,228,656)	$1,229,435	($1,569,167)	($15,138,294)
Increase (Decrease) in Tangible Capital Assets	$573,471	$813,833	$2,565,345	$222,847	$5,035,660	$16,938,895
Increase (Decrease) in Accumulated Surplus	$1,134,745	$1,750,938	$1,336,689	$1,452,282	$3,466,493	$1,800,602
Water Asset Consumption Ratio	37%	37%	33%	34%	30%	24%

2.2.2 Water - Statement of Operations

The Statement of Operations is presented in Table 2-3 It summarizes the annual revenues and expenses associated with managing the Township's water system. It provides a report on the transactions and events that have an influence on the accumulated surplus. The main revenue items included are:

- Revenues from water rates and charges;
- Earned revenues, and
- Other Revenues (meter and backflow fees, service connection fees, interest earned on cash balances).

The main expense items are:

- The annual cost of operating and maintaining the water systems;
- Interest on long-term debt; and
- Amortization expenses on existing and added TCA.

The operating surplus (or deficit) is an important indicator contained in the Statement of Operations. An operating surplus (deficit) measures whether operating revenues generated in a year were sufficient to cover operating expenses incurred in that year. It is important to note that an annual surplus is necessary to ensure funds will be available to address non-expense items such as TCA acquisitions over and above amortization expenses, reserve/reserve fund contributions for asset replacement and rate stabilization, and repayment of outstanding debt principal. A ratio of operating surplus to total revenue is shown in Table 2-3 and reflects the percent of total revenue that can be allocated to funding the non-expense items noted above.

Table 2-3: Water – Statement of Operation

	2026	2027	2028	2029	2030	2031
Water Revenue						
Rate Revenue	$2,958,980	$3,100,166	$3,245,816	$3,396,052	$3,551,000	$3,696,088
Consumption Charge Revenue	$0	$0	$0	$0	$0	$0
Earned Revenue	$0	$486,953	$0	$67,913	$1,939,647	$502,832
Other Revenue	$281,771	$306,360	$278,159	$309,947	$322,293	$246,680
Total Revenues	**$3,240,751**	**$3,893,479**	**$3,523,975**	**$3,773,913**	**$5,812,940**	**$4,445,599**
Water Expenses						
Gross	$1,638,765	$1,671,540	$1,704,971	$1,739,070	$1,773,852	$1,809,329
Non-TCA Capital	$0	$0	$0	$67,913	$19,696	$0
Operating Expenses	$1,638,765	$1,671,540	$1,704,971	$1,806,983	$1,793,548	$1,809,329
Interest on Debt	$0	$0	$0	$0	$0	$70,000
Amortization	$467,241	$471,001	$482,315	$514,648	$552,898	$765,669
Total Expenses	**$2,106,006**	**$2,142,541**	**$2,187,286**	**$2,321,631**	**$2,346,447**	**$2,644,998**
Annual Surplus/(Deficit)	$1,134,745	$1,750,938	$1,336,689	$1,452,282	$3,466,493	$1,800,602
Accumulated Surplus/(Deficit), Beginning of Year	$25,789,249	$26,923,994	$28,674,932	$30,011,621	$31,463,902	$34,930,395
Accumulated Surplus/ (Deficit), End of Year	**$26,923,994**	**$28,674,932**	**$30,011,621**	**$31,463,902**	**$34,930,395**	**$36,730,997**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Total Revenues	($21,618)	$652,728	($369,504)	$249,937	$2,039,027	($1,367,341)
Increase (Decrease) in Total Expenses	$42,272	$36,535	$44,745	$134,345	$24,816	$298,551
Increase (Decrease) in Annual Surplus	($63,890)	$616,193	($414,249)	$115,593	$2,014,211	($1,665,892)
Water Operating Surplus Ratio	35.0%	45.0%	37.9%	38.5%	59.6%	40.5%

2.2.3 Water - Statement of Cash Flows

The Statement of Cash Flow is presented in Table 2-4. This statement summarizes the main cash inflows and outflows related to the water system in four (4) main areas - operating, capital, investing and financing, and shows the annual changes in cash.

The operating cash transactions begin with the surplus or deficit identified in the Statement of Operations. This figure is adjusted to add or subtract non-cash items that were included as revenues or expenses (e.g. amortization expenses and earned revenues). It is assumed that there are no “investing activities” over the

period. The capital section indicates the amounts to be spent to acquire capital assets (TCA) or to be received from the sale of assets. In the Township's case, it is assumed that there are no assets to be sold to generate cash. The financing section identifies funds external sources, proceeds from the issuance of debenture as cash inflows, and the portion of debt repaid as cash outflows.

Table 2-4 indicates that cash is being generated from operations, which is used in funding the acquisition of TCA and towards building internal reserves. The Town's cash position is projected to decrease over the forecast period from $10.7 million in 2026 to a $8.8 million in 2031.

Table 2-4: Water – Statement of Cash Flow

	2026	2027	2028	2029	2030	2031
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	$1,134,745	$1,750,938	$1,336,689	$1,452,282	$3,466,493	$1,800,602
Non-Cash Items						
Amortization	$467,241	$471,001	$482,315	$514,648	$552,898	$765,669
Earned Revenue	$0	($486,953)	$0	($67,913)	($1,939,647)	($502,832)
Net Change in Cash Provided by Operating Activities	$1,601,986	$1,734,986	$1,819,004	$1,899,016	$2,079,745	$2,063,439
Capital Activities						
Purchase of TCA	($1,040,712)	($1,284,834)	($3,047,660)	($737,495)	($5,588,559)	($17,704,564)
Net Change in Cash Used in Capital Activities	($1,040,712)	($1,284,834)	($3,047,660)	($737,495)	($5,588,559)	($17,704,564)
Financing Activities						
DC Collections	$534,779	$551,358	$581,017	$610,226	$593,895	$523,787
Proceeds From Long-Term Debt	$0	$0	$0	$0	$2,000,000	$12,000,000
Repayment of Long-Term Debt	$0	$0	$0	$0	$0	($38,743)
Net Change in Cash Used in Financing Activities	$534,779	$551,358	$581,017	$610,226	$2,593,895	$12,485,044
Net Change in Cash and Cash Equivalents	$1,096,053	$1,001,510	($647,639)	$1,771,748	($914,919)	($3,156,081)
Cash and Cash Equivalents, Beginning of the Year	$9,632,388	$10,728,442	$11,729,951	$11,082,313	$12,854,060	$11,939,141
Cash and Cash Equivalents, End of the Year	**$10,728,442**	**$11,729,951**	**$11,082,313**	**$12,854,060**	**$11,939,141**	**$8,783,060**

2.3 Lead Service Pipe Removal

The financial plan is also required to detail the extent to which the information described above relates directly to the replacement of lead service pipes. There are no known lead service pipes in the Township. There is no dedicated lead service pipe removal program in place. If lead pipe is discovered during normal operations, it is replaced accordingly. Therefore, there are no significant material financial costs associated with lead pipe removal.

3 Conclusions & Recommendations

The following are the main conclusions regarding the water system:

- The financial statements for the water system are prepared are based on the recommendations contained in the draft Township's water and wastewater rate study, indicate the following:
    - The accumulated surplus is projected to increase from approximately $26.9 million in 2026 to approximately $36.7 million by 2031.
    - The operating surplus ratio is projected to average approximately 32% over the forecast period.
    - The cash position is projected to increase from $10.7 million in 2026 to a $8.8 million in 2031.

  These indicate that the financial outlook for the water system over the 6-year period 2026 to 2031 is excellent.

The following are the main recommendations resulting from the O. Reg 453.07 water system financial plan:

- That the O.Reg. 453/07 Water System Financial Plan No. 113-301A including the Financial Statements contained herein be approved by Council and submitted to the Province of Ontario in accordance with the Drinking Water System License renewal requirements and O. Reg. 453/07.

- That a copy of the Water System Financial Plan No. 113-301A be posted on the Township's website and made available to the public at no charge.

Appendix A

Requirements of O. Reg. 453/07

Appendix A: Requirements of O.Reg. 453/07

Requirements			How Requirements are Met
1.	The financial plans must be approved by a resolution that is passed by,		
	i.	The council of the municipality, if the owner of the drinking water system is a municipality.	• It is expected the Council will approve the Updated Financial Plan prior to November 13 2025 (6 months prior to the expiry of the drinking water licences – May 12,2026)
	ii.	The governing body of the owner, if the owner of the drinking water system has a governing body and is not a municipality.	• N/A
2.	The financial plans must apply to a period of at least six years.		• Applies for 6 years from 2026 to 2031 inclusive.
3.	The first year to which the financial plans must apply must be the year determined in accordance with the following rules:		
	i.	If the financial plans are required by subsection 2, the first year to which the financial plans must apply must be the year in which the drinking water system's existing municipal drinking water licence would otherwise expire.	• The licence expires in 2026 for the water systems (No. 113-301A). Therefore, the first year of the Updated Financial Plan is 2026
	ii.	If the financial plans are required by a condition that was included in a municipal drinking water licence under subsection 1 (3), the first year to which the financial plans must apply must be the later of 2010 and the year in which the first licence for the system was issued.	• N/A
4.	Subject to subsection (2), for each year to which the financial plans apply, the financial plans must include the following:		
	i.	Details of the proposed or projected financial position of the drinking water system itemized by:	• See Statement of Financial Position for all water systems combined in Financial Plan.
		a. Total financial assets	• See Statement of Financial Position for all water systems combined in Financial Plan.
		b. Total liabilities	• See Statement of Financial Position for all water systems combined in Financial Plan.
		c. Net financial assets (debt)	• See Statement of Financial Position for all water systems combined in Financial Plan.
		d. Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses.	• See Statement of Financial Position for all water systems combined in Financial Plan. TCA Projections in Financial Plan.

Appendix A: Requirements of O.Reg. 453/07

		e. Changes in tangible capital assets that are additions, donations, write downs and disposals.	• See Statement of Financial Position for all water systems combined in Financial Plan. TCA Projections in Financial Plan.
	ii.	Details of the proposed or projected financial operations of the drinking water system itemized by,	• See Statement of Operations for all water systems combined in Financial Plan.
		a. Total revenues, further itemized by water rates, user charges and other revenues.	• See Statement of Operations for all water systems combined in Financial Plan.
		b. Total expenses, further itemized by amortization expenses, interest expenses and other expenses	• See Statement of Operations for all water systems combined in Financial Plan.
		c. Annual surplus or deficit, and	• See Statement of Operations for all water systems combined in Financial Plan.
		d. Accumulated surplus or deficit	• See Statement of Operations for all water systems combined in Financial Plan.
	iii.	Details of the drinking water system's proposed or projected gross cash receipts and gross cash payments itemized by,	• See Statement of Cash Flow for all water systems combined in Financial Plan.
		a. Operating transactions that are cash received from revenues, cash paid for operating expenses and finance charges, - done in full cost report	• See Statement of Cash Flow for all water systems combined in Financial Plan.
		b. Capital transactions that are proceeds on the sale of tangible capital assets and cash used to acquire capital assets,	• See Statement of Cash Flow for all water systems combined in Financial Plan.
		c. Investing transactions that are acquisitions and disposal of investments,	• See Statement of Cash Flow for all water systems combined in Financial Plan.
		d. Financing transactions that are proceeds from the issuance of debt and debt repayment.	• See Statement of Cash Flow for all water systems combined in Financial Plan.
		e. Changes in cash and cash equivalents during the year,	• See Statement of Cash Flow for all water systems combined in Financial Plan.
		f. Cash and cash equivalents at the beginning and end of the year.	• See Statement of Cash Flow for all water systems combined in Financial Plan.
	iv.	Details of the extent to which the information described in subparagraphs i, ii and iii relates directly to the replacement of lead service pipes as defined in section 15.1- 3 of Schedule 15.1 to Ontario Regulation 170/03 (Drinking Water Systems), made under the Act.	• There is no dedicated lead service pipe removal program in place. If lead pipe is discovered during normal operations, it is replaced accordingly. Therefore, there are no significant material financial costs associated with lead pipe removal.
5.	The owner of the drinking water system must.		
	i.	Make the financial plans available, on request, to members of the public who are served by the drinking water system without charge,	• This will be done by the municipality following Council approval.

Appendix A: Requirements of O.Reg. 453/07

	ii.	Make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet,	• The Financial Plan will be posted on the municipality's website and made available for public review at no charge.
	iii.	Provide notice advising the public of the availability of the financial plans under subparagraphs i and ii, if applicable, in a manner that, in the opinion of the owner, will bring the notice to the attention of members of the public who are served by the drinking water system.	• A notice will be issued following Council approval.
6.	The owner of the drinking water system must give a copy of the financial plans to the Ministry of Municipal Affairs and Housing. O. Reg. 453/07, s. 3 (1).		• Will be submitted following Council approval.
		Each of the following sub-subparagraphs applies only if the information referred to in the sub-subparagraph is known to the owner at the time the financial plans are prepared.	• The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	1.	Sub-subparagraphs 4 i A, B and C of subsection (1).	• The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.
	2.	Sub-subparagraphs 4 iii A, C, E and F of subsection (1). O. Reg. 453/07, s. 3 (2).	• The Financial Plan was prepared using available information at the time of preparation and may not contain all desired items. Reasonable assumptions were made and these are noted in the Financial Plan.

Appendix R

2025 Wastewater System Financial Plan

Township of Wellington North

2025 Wastewater System Financial Plan

DFA Infrastructure International Inc.

November 20, 2025

DFA Infrastructure International Inc.

33 Raymond Street St. Catharines Ontario Canada L2R 2T3

Telephone: (905) 938 -0965 Fax: (905) 937-6568

November 20, 2025

Jerry Idialu, MBA, CPA
Director of Finance/Treasurer
Township of Wellington North
7490 Sideroad 7 W
Kenilworth, Ontario
N0G 2E0

Re: 2025 Wastewater System Financial Plan

Dear Jerry:

We are pleased to submit to you the above noted report entitled: "2025 Wastewater System Financial Plan". Please note, the wastewater system financial plan is based on the 2025 Water and Wastewater Rate Study and the projected wastewater rates as approved at the November 17th, 2025 Council meeting.

Yours truly,

DFA Infrastructure International Inc.
Derek Ali, MBA, P.Eng.
President

Table of Contents

Tables

1 Introduction

1.1 Background

Every 5 years the Township is required to prepare and submit to the Province an updated water system financial plan in accordance with O.Reg. 453/07. The water system financial plan must include financial statements on the following:

- The proposed or projected financial position of the drinking water systems;
- The proposed or projected gross cash receipts and gross cash payments;
- The proposed or projected financial operations of the drinking water system; and

The Township's water system financial plan applies to the six (6) year period 2026 to 2031. The water system financial plan was previously approved by Council on October 29th, 2025.

While not mandatory, the Township has also chosen to prepare a corresponding wastewater system financial plan, which follows municipal best practice. The wastewater system financial plan as presented in this report is prepared in accordance with the requirements of O.Reg 453/07 as noted above. It is important to note that the wastewater system financial plan is based on the recommendations contained in the Township's water and wastewater rate study and projected wastewater rates approved at the November 17th, 2025 Council meeting.

It is recommended that, upon Council's approval, the wastewater system financial plan will be made available to the public at no charge and posted on the Township's website. It is also recommended that the plan be submitted to the Province.

2 Wastewater System Financial Plan

This section presents the wastewater system financial plan as defined in O.Reg. 453/07.

2.1 Wastewater Tangible Capital Assets (TCA) Analysis

As noted in the introduction the results of the 2025 Water and Wastewater Rate Study and the projected wastewater rates approved at the November 17th, 2025 Council meeting are used as the basis for preparing the wastewater system financial plan. The Township's Tangible Capital Asset inventories were also used in the preparation of the wastewater system financial plan. The amortization of the tangible capital assets is shown as a "non-cash" annual cost that reflects the annual "use" of assets until the end of their respective useful lives. Allowances are made to finance the replacement and/or rehabilitation of the existing assets once they "expire" and can no longer play a role in providing required wastewater services to customers. It should be noted however that since amortization is based on the original (historical) cost at the time the asset was placed in service it does not account for inflation since the year of installation. Therefore, basing asset replacement costs on amortization alone is not sufficient to cover the future replacement needs.

The TCA projections contained in the Township's wastewater system financial plan are based on the following assumptions:

- Amortization of existing assets is based on the Township's Tangible Capital Assets Policies and Procedures. Amortization of new infrastructure investments is based on straight line depreciation with half year depreciation charged in the year of acquisition;
- Historical costs, life expectancy and remaining useful life are as identified in the TCA data provided by the Township;
- Fully depreciated assets continue to be used in service i.e. no asset removals; and
- New assets to be acquired are based on the capital forecast derived from the recommendations contained in the draft Township's water and wastewater rate study. The forecast includes projects in the Township's Draft 2026 Capital Budget and Forecast, 2021 Development Charges Study and asset management replacement and rehabilitation provisions, as determined from the recommendations contained in the Township's 2025 State of the Infrastructure Report

Wastewater Asset Value

The wastewater system is comprised of the following asset classes:

- Pump Stations and Lagoons;
- Forcemains; and
- Sanitary Mains.

Table 2-1 shows the estimated capital asset value based on historical cost and accumulated amortization to 2025. This is reflected as the net book value (NBV) i.e. the "accounting" value and indicates that the wastewater system as a whole is approximately 37% depreciated or has approximately 63% remaining life based on the TCA data. This suggests that the wastewater system assets are relatively new.

Table 2-1: Wastewater – Asset Amortization and Book Value (NBV)

2025 Wastewater Asset Details			
Historical Cost	**$**	**50,707,608**	**100%**
Accumulated Amortization	**$**	**18,539,387**	**37%**
Net Book Value	**$**	**32,168,222**	**63%**

2.2 Wastewater Financial Statements

This financial plan involves the review, analysis and assessment of financial information contained in the draft rate study and projected wastewater rates including costs, revenues, debt, cash transactions and Tangible Capital Assets (TCA) to prepare the following three (3) financial statements covering the period 2026 – 2031 as required under O.Reg 453/07:

- Statement of Financial Position;
- Statement of Operations; and
- Statement of Cash Flow

2.2.1 Wastewater - Statement of Financial Position

The Statement of Financial Position is presented in Table 2-2. This statement summarizes the Township's wastewater related financial and non-financial assets (Tangible Capital Assets – TCA) and liabilities and provides the net financial asset/ (net debt) position and accumulated surplus related to managing the wastewater system. The financial assets are primarily cash balances in the wastewater reserves and reserve funds. Liabilities consist of wastewater deferred revenues and long-term debt. The non-financial assets (TCA) include the Township's wastewater infrastructure. The historical costs are amortized over the asset life to arrive at the net book value each year from 2026 to 2031. New assets are added in the years acquired, developed or built. Contributed assets are primarily new infrastructure that would be transferred to the Township's ownership and control by developers as they are completed. However, this is assumed to be zero. It is also assumed that other non-financial assets such as inventory and prepaid expenses are zero.

Contained within the Statement of Financial Position are important indicators, the first being net financial assets (or net debt) which is defined as the difference between financial assets and liabilities. This indicator provides a measure of the wastewater system's "future revenue requirement". Table 2.2 indicates that in 2026, the Township's wastewater system will be in a net financial asset position in the amount of $0.4 million. This will switch to a net debt position of $2.0 million by 2031. The net debt position indicates that financial resources will be required to fund future operations. The switch to a net debt position is due to a combination of a significant reduction in cash balances, offset by a decrease in financial liabilities.

The next important indicator contained in the Statement of Financial Position is the net book value of TCA. Table 2-2 shows that net TCA are expected to grow by $21.8 million over the forecast period, or from $34.4 million in 2026 to $56.2 million in 2031. This indicates that the Township has plans to invest in tangible capital assets in excess of the consumption of existing assets. Further, a consumption ratio consisting of the accumulated amortization of the Township's TCA as a percent of historical cost ratio highlights the aged condition of the assets and their potential replacement needs. The Township's Wastewater Asset Consumption Ratio will decrease from 35% in 2026 to 28% in 2031. As this percentage is decreasing over time, it indicates the Township is allocating adequate funds to finance the replacement or rehabilitation of aging assets as they expire. By removing new growth-related infrastructure investments that are being made over the forecast period, the Wastewater Asset Consumption Ratio only decreases to 33% by 2025. As such the Township will need to closely monitor the condition of their wastewater infrastructure to ensure the level of investments in wastewater asset replacement or rehabilitation remains at appropriate levels over the forecast period.

Another important indicator in the Statement of Financial Position is the accumulated surplus. This indicator provides a measure of the resources available to the Township for managing its water system. The accumulated surplus is projected to increase from approximately $34.8 million in 2026 to approximately $54.2 million by 2031. The 2031 accumulated surplus consists of non-financial assets that are made up of the net TCA balance representing past investments in wastewater infrastructure, and the net debt position that consist of cash balances, offset by deferred revenues and long-term debt.

Table 2-2: Wastewater – Statement of Financial Position

	2026	2027	2028	2029	2030	2031
Financial Assets						
Cash,Receivables and Investment	$11,017,475	$1,304,679	$2,390,977	$3,712,625	$2,067,962	$2,774,904
Total Financial Assets	$11,017,475	$1,304,679	$2,390,977	$3,712,625	$2,067,962	$2,774,904
Financial Liabilities						
Deferred Liability (DC)	$8,062,030	$0	$734,318	$1,464,588	$0	$586,345
Long-term Liabilities	$2,561,915	$6,682,858	$6,035,039	$5,362,696	$4,874,956	$4,144,155
Total Financial Liabilities	$10,623,946	$6,682,858	$6,769,357	$6,827,284	$4,874,956	$4,730,500
Net Financial Assets (Net Debt)	$393,529	($5,378,179)	($4,378,380)	($3,114,659)	($2,806,994)	($1,955,596)
Non-Financial Assests						
Tangible Capital Assets	$52,786,950	$68,463,754	$69,685,792	$70,855,298	$75,829,155	$77,688,127
Accumulated Amortization	($18,378,646)	($18,044,296)	($18,878,816)	($19,678,077)	($20,849,668)	($21,483,241)
Total Non-Financial Assets	$34,408,303	$50,419,458	$50,806,976	$51,177,221	$54,979,487	$56,204,886
Accumulated Surplus	**$34,801,832**	**$45,041,279**	**$46,428,596**	**$48,062,562**	**$52,172,493**	**$54,249,290**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Net Financial Assets	$413,366	($5,771,708)	$999,800	$1,263,720	$307,666	$851,397
Increase (Decrease) in Tangible Capital Assets	$745,892	$16,011,155	$387,518	$370,245	$3,802,266	$1,225,399
Increase (Decrease) in Accumulated Surplus	$1,159,258	$10,239,447	$1,387,318	$1,633,965	$4,109,932	$2,076,797
Wastewater Asset Consumption Ratio	35%	26%	27%	28%	27%	28%

2.2.2 Wastewater - Statement of Operations

The Statement of Operations is presented in Table 2-3 It summarizes the annual revenues and expenses associated with managing the Township's wastewater system. It provides a report on the transactions and events that have an influence on the accumulated surplus. The main revenue items included are:

- Revenues from wastewater rates and charges;
- Earned Revenues; and
- Other Revenues (service connection fees, and miscellaneous revenues and interest on cash balances).

The main expense items are:

- The annual cost of operating and maintaining the wastewater system;
- Interest on long-term debt; and
- Amortization expenses on existing and new TCA.

The operating surplus/ (deficit) is an important indicator contained in the Statement of Operations. An operating surplus/ (deficit) measures whether operating revenues generated in a year were sufficient to cover operating expenses incurred in that year. It is important to note that an annual surplus is necessary to ensure funds will be available to address non-expense items such as TCA acquisitions over and above amortization expenses, reserve/reserve fund contributions for asset replacement and rate stabilization, and repayment of outstanding

debt principal. A ratio of operating surplus to total revenue is shown in Table 2-3 and reflects the percent of total revenue that can be allocated to funding the non-expense items noted above.

Table 2-3: Wastewater – Statement of Operation

	2026	2027	2028	2029	2030	2031
Wastewater Revenue						
Rate Revenue	$3,537,539	$3,782,067	$4,040,497	$4,313,551	$4,601,984	$4,886,279
Earned Revenue	$480,465	$9,552,442	$818,716	$886,629	$3,093,201	$834,153
Interest Revenue	$137,084	$98,122	$108,032	$123,809	$120,796	$125,145
Total Revenues	**$4,155,087**	**$13,432,630**	**$4,967,246**	**$5,323,989**	**$7,815,982**	**$5,845,577**
Wastewater Expenses						
Gross	$1,935,916	$1,974,634	$2,014,127	$2,054,410	$2,095,498	$2,137,408
Non-TCA Capital	$0	$0	$0	$67,913	$19,696	$0
Operating Expenses	**$1,935,916**	**$1,974,634**	**$2,014,127**	**$2,122,323**	**$2,115,194**	**$2,137,408**
Interest on Debt	$106,157	$89,249	$255,685	$231,161	$205,970	$188,141
Amortization	$953,756	$1,129,301	$1,310,116	$1,336,540	$1,384,886	$1,443,232
Total Expenses	**$2,995,830**	**$3,193,184**	**$3,579,928**	**$3,690,024**	**$3,706,050**	**$3,768,780**
Annual Surplus/(Deficit)	$1,159,258	$10,239,446	$1,387,318	$1,633,965	$4,109,932	$2,076,797
Accumulated Surplus/(Deficit), Beginning of Year	$33,642,575	$34,801,832	$45,041,278	$46,428,596	$48,062,561	$52,172,493
Accumulated Surplus/ (Deficit), End of Year	**$34,801,832**	**$45,041,278**	**$46,428,596**	**$48,062,561**	**$52,172,493**	**$54,249,290**

Financial Indicators	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Increase (Decrease) in Total Revenues	$219,580	$9,277,543	($8,465,384)	$356,743	$2,491,993	($1,970,405)
Increase (Decrease) in Total Expenses	($9,308)	$197,354	$386,744	$110,095	$16,026	$62,730
Increase (Decrease) in Annual Surplus	$228,888	$9,080,189	($8,852,128)	$246,648	$2,475,967	($2,033,135)
Wastewater Operating Surplus Ratio	27.9%	76.2%	27.9%	30.7%	52.6%	35.5%

2.2.3 Wastewater - Statement of Cash Flows

The Statement of Cash Flow is presented in Table 2-4. This statement summarizes the main cash inflows and outflows related to the wastewater system in four (4) main areas - operating, capital, investing and financing, and shows the annual changes in cash.

The operating cash transactions begin with the surplus or deficit identified in the Statement of Operations. This figure is adjusted to add or subtract non-cash items that were included as revenues or expenses (e.g. amortization expenses and earned revenues). It is assumed that there are no “investing activities” over the period. The capital section indicates the amounts to be spent to acquire capital assets (TCA) or to be received from the sale of assets. In the Township’s case, it is assumed that there are no assets to be sold to generate cash. The financing section identifies funds external sources, proceeds from the issuance of debenture as cash inflows, and the portion of debt repaid as cash outflows.

Table 2-4 indicates that cash is being generated from operations, which is used in funding the acquisition of TCA and towards building internal reserves. The Township's cash position is projected to decrease significantly over the forecast period from $11.0 million in 2026 to a $2.8 million in 2031.

Table 2-4: Wastewater – Statement of Cash Flow

	2026	2027	2028	2029	2030	2031
Cash Provided by:						
Operating Activities						
Annual Surplus/(Deficit)	$1,159,258	$10,239,446	$1,387,318	$1,633,965	$4,109,932	$2,076,797
Non-Cash Items						
Amortization	$953,756	$1,129,301	$1,310,116	$1,336,540	$1,384,886	$1,443,232
Earned Revenue	($480,465)	($9,552,442)	($818,716)	($886,629)	($3,093,201)	($834,153)
Net Change in Cash Provided by Operating Activitie	$1,632,549	$1,816,305	$1,878,717	$2,083,876	$2,401,616	$2,685,875
Capital Activities						
Purchase of TCA	($1,699,648)	($17,140,456)	($1,697,634)	($1,706,785)	($5,187,152)	($2,668,631)
Net Change in Cash Used in Capital Activities	($1,699,648)	($17,140,456)	($1,697,634)	($1,706,785)	($5,187,152)	($2,668,631)
Financing Activities						
DC Collections	$1,643,637	$1,490,412	$1,553,034	$1,616,899	$1,628,613	$1,420,499
Proceeds From Long-Term Debt	$0	$4,596,948	$0	$0	$209,794	$0
Repayment of Long-Term Debt	($459,095)	($476,005)	($647,819)	($672,343)	($697,534)	($730,801)
Net Change in Cash Used in Financing Activities	$1,184,541	$5,611,354	$905,215	$944,556	$1,140,873	$689,698
Net Change in Cash and Cash Equivalents	$1,117,442	($9,712,796)	$1,086,299	$1,321,647	($1,644,663)	$706,942
Cash and Cash Equivalents, Beginning of the Year	$9,900,033	$11,017,475	$1,304,679	$2,390,977	$3,712,625	$2,067,962
Cash and Cash Equivalents, End of the Year	**$11,017,475**	**$1,304,679**	**$2,390,977**	**$3,712,625**	**$2,067,962**	**$2,774,904**

3 Conclusions & Recommendations

The following are the main conclusions regarding the wastewater system:

1. The financial statements for the wastewater system are based on the recommendations contained in the Township's water and wastewater rate study and projected wastewater rates approved at the November 17th, 2025 Council meeting, indicate the following:
    - The accumulated surplus is projected to increase from approximately $34.8 million in 2026 to approximately $54.2 million by 2031.
    - The operating surplus ratio is projected to average approximately 41% over the forecast period.
    - The cash position is projected to decrease from $11.0 million in 2026 to $2.8 million in 2031.

    These indicate that the financial outlook for the wastewater system over the 6-year period 2026 to 2031 is fair to good.

The following are the main recommendations resulting from the Wastewater System Financial Plan:

- That the Wastewater System Financial Plan including the Financial Statements contained herein be approved by Council and submitted to the Province of Ontario for consideration
- That a copy of the Wastewater System Financial Plan be posted on the Township's website and made available to the public at no charge.